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HOUSE BILL 1049

**47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005**

INTRODUCED BY

Eric A. Youngberg

AN ACT

RELATING TO BUSINESS LAW; ENACTING THE UNIFORM LIMITED PARTNERSHIP ACT (2001); REPEALING AND ENACTING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

ARTICLE 1

GENERAL PROVISIONS

Section 101. SHORT TITLE.--This act may be cited as the "Uniform Limited Partnership Act (2001)".

Section 102. DEFINITIONS.--As used in the Uniform Limited Partnership Act (2001):

A. "certificate of limited partnership" means the certificate required by Section 201 of the Uniform Limited Partnership Act (2001). The term includes the certificate as amended or restated;

1           B. "contribution", except in the phrase "right of  
2 contribution", means any benefit provided by a person to a  
3 limited partnership in order to become a partner or in the  
4 person's capacity as a partner;

5           C. "debtor in bankruptcy" means a person that is  
6 the subject of:

7                   (1) an order for relief pursuant to Title 11  
8 of the United States Code or a comparable order pursuant to a  
9 successor statute of general application; or

10                   (2) a comparable order pursuant to federal,  
11 state or foreign law governing insolvency;

12           D. "designated office" means:

13                   (1) with respect to a limited partnership, the  
14 office that the limited partnership is required to designate  
15 and maintain pursuant to Section 114 of the Uniform Limited  
16 Partnership Act (2001); and

17                   (2) with respect to a foreign limited  
18 partnership, its principal office;

19           E. "distribution" means a transfer of money or  
20 other property from a limited partnership to a partner in the  
21 partner's capacity as a partner or to a transferee on account  
22 of a transferable interest owned by the transferee;

23           F. "foreign limited liability limited partnership"  
24 means a foreign limited partnership whose general partners have  
25 limited liability for the obligations of the foreign limited

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1 partnership pursuant to a provision similar to Subsection C of  
2 Section 404 of the Uniform Limited Partnership Act (2001);

3 G. "foreign limited partnership" means a  
4 partnership formed pursuant to the laws of a jurisdiction other  
5 than this state and required by those laws to have one or more  
6 general partners and one or more limited partners. The term  
7 includes a foreign limited liability limited partnership;

8 H. "general partner" means:

9 (1) with respect to a limited partnership, a  
10 person that:

11 (a) becomes a general partner pursuant  
12 to Section 401 of the Uniform Limited Partnership Act (2001);  
13 or

14 (b) was a general partner in a limited  
15 partnership when the limited partnership became subject to the  
16 Uniform Limited Partnership Act (2001) pursuant to Subsection A  
17 of Section 1206 of the Uniform Limited Partnership Act (2001);  
18 and

19 (2) with respect to a foreign limited  
20 partnership, a person that has rights, powers and obligations  
21 similar to those of a general partner in a limited partnership;

22 I. "limited liability limited partnership", except  
23 in the phrase "foreign limited liability limited partnership",  
24 means a limited partnership;

25 J. "limited partner" means:

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1 (1) with respect to a limited partnership, a  
2 person that:

3 (a) becomes a limited partner pursuant  
4 to Section 301 of the Uniform Limited Partnership Act (2001);  
5 or

6 (b) was a limited partner in a limited  
7 partnership when the limited partnership became subject to the  
8 Uniform Limited Partnership Act (2001) pursuant to Subsection A  
9 of Section 1206 of the Uniform Limited Partnership Act (2001);  
10 and

11 (2) with respect to a foreign limited  
12 partnership, a person that has rights, powers and obligations  
13 similar to those of a limited partner in a limited partnership;

14 K. "limited partnership", except in the phrases  
15 "foreign limited partnership" and "foreign limited liability  
16 limited partnership", means an entity, having one or more  
17 general partners and one or more limited partners that is  
18 formed pursuant to the Uniform Limited Partnership Act (2001)  
19 by two or more persons or becomes subject to Article 11 or  
20 Subsection A of Section 1206 of the Uniform Limited Partnership  
21 Act (2001). The term includes a limited liability limited  
22 partnership;

23 L. "partner" means a limited partner or general  
24 partner;

25 M. "partnership agreement" means the partners'

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1 agreement, whether oral, implied or in a record or in any  
2 combination, concerning the limited partnership. The term  
3 includes the agreement as amended;

4 N. "person" means an individual, corporation,  
5 business trust, estate, trust, partnership, limited liability  
6 company, association, joint venture, government, governmental  
7 subdivision, agency or instrumentality, public corporation or  
8 any other legal or commercial entity;

9 O. "person dissociated as a general partner" means  
10 a person dissociated as a general partner of a limited  
11 partnership;

12 P. "principal office" means the office where the  
13 principal executive office of a limited partnership or foreign  
14 limited partnership is located, whether or not the office is  
15 located in this state;

16 Q. "record" means information that is inscribed on  
17 a tangible medium or that is stored in an electronic or other  
18 medium and is retrievable in perceivable form;

19 R. "required information" means the information  
20 that a limited partnership is required to maintain pursuant to  
21 Section 111 of the Uniform Limited Partnership Act (2001);

22 S. "sign" means:

23 (1) to execute or adopt a tangible symbol with  
24 the present intent to authenticate a record; or

25 (2) to attach or logically associate an

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1 electronic symbol, sound or process to or with a record with  
2 the present intent to authenticate the record;

3 T. "state" means a state of the United States, the  
4 District of Columbia, Puerto Rico, the United States Virgin  
5 Islands or any territory or insular possession subject to the  
6 jurisdiction of the United States;

7 U. "transfer" includes an assignment, conveyance,  
8 deed, bill of sale, lease, mortgage, security interest,  
9 encumbrance, gift and transfer by operation of law;

10 V. "transferable interest" means a partner's right  
11 to receive distributions; and

12 W. "transferee" means a person to which all or part  
13 of a transferable interest has been transferred, whether or not  
14 the transferor is a partner.

15 Section 103. KNOWLEDGE AND NOTICE.--

16 A. A person knows a fact if the person has actual  
17 knowledge of it.

18 B. A person has notice of a fact if the person:

19 (1) knows of it;

20 (2) has received a notification of it;

21 (3) has reason to know it exists from all of  
22 the facts known to the person at the time in question; or

23 (4) has notice of it pursuant to Subsection C  
24 or D of this section.

25 C. A certificate of limited partnership on file in

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1 the office of the secretary of state is notice that the  
2 partnership is a limited partnership and the persons designated  
3 in the certificate as general partners are general partners.  
4 Except as otherwise provided in Subsection D of this section,  
5 the certificate is not notice of any other fact.

6 D. A person has notice of:

7 (1) another person's dissociation as a general  
8 partner, ninety days after the effective date of an amendment  
9 to the certificate of limited partnership that states that the  
10 other person has dissociated, or ninety days after the  
11 effective date of a statement of dissociation pertaining to the  
12 other person, whichever occurs first;

13 (2) a limited partnership's dissolution,  
14 ninety days after the effective date of an amendment to the  
15 certificate of limited partnership stating that the limited  
16 partnership is dissolved;

17 (3) a limited partnership's termination,  
18 ninety days after the effective date of a statement of  
19 termination;

20 (4) a limited partnership's conversion  
21 pursuant to Article 11 of the Uniform Limited Partnership Act  
22 (2001), ninety days after the effective date of the articles of  
23 conversion; or

24 (5) a merger pursuant to Article 11 of the  
25 Uniform Limited Partnership Act (2001), ninety days after the

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1 effective date of the articles of merger.

2 E. A person notifies or gives a notification to  
3 another person by taking steps reasonably required to inform  
4 the other person in ordinary course, whether or not the other  
5 person learns of it.

6 F. A person receives a notification when the  
7 notification:

8 (1) comes to the person's attention; or  
9 (2) is delivered at the person's place of  
10 business or at any other place held out by the person as a  
11 place for receiving communications.

12 G. Except as otherwise provided in Subsection H of  
13 this section, a person other than an individual knows, has  
14 notice or receives a notification of a fact for purposes of a  
15 particular transaction when the individual conducting the  
16 transaction for the person knows, has notice or receives a  
17 notification of the fact, or in any event when the fact would  
18 have been brought to the individual's attention if the person  
19 had exercised reasonable diligence. A person other than an  
20 individual exercises reasonable diligence if it maintains  
21 reasonable routines for communicating significant information  
22 to the individual conducting the transaction for the person and  
23 there is reasonable compliance with the routines. Reasonable  
24 diligence does not require an individual acting for the person  
25 to communicate information unless the communication is part of

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1 the individual's regular duties or the individual has reason to  
2 know of the transaction and that the transaction would be  
3 materially affected by the information.

4 H. A general partner's knowledge, notice or receipt  
5 of a notification of a fact relating to the limited partnership  
6 is effective immediately as knowledge of, notice to or receipt  
7 of a notification by the limited partnership, except in the  
8 case of a fraud on the limited partnership committed by or with  
9 the consent of the general partner. A limited partner's  
10 knowledge, notice or receipt of a notification of a fact  
11 relating to the limited partnership is not effective as  
12 knowledge of, notice to or receipt of a notification by the  
13 limited partnership.

14 Section 104. NATURE, PURPOSE AND DURATION OF ENTITY.--

15 A. A limited partnership is an entity distinct from  
16 its partners.

17 B. A limited partnership may be organized pursuant  
18 to the Uniform Limited Partnership Act (2001) for any lawful  
19 purpose.

20 C. A limited partnership has a perpetual duration.

21 Section 105. POWERS.--A limited partnership has the  
22 powers to do all things necessary or convenient to carry on its  
23 activities, including the power to sue, be sued and defend in  
24 its own name and to maintain an action against a partner for  
25 harm caused to the limited partnership by a breach of the

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1 partnership agreement or violation of a duty to the  
2 partnership.

3 Section 106. GOVERNING LAW.--The law of this state  
4 governs relations between the partners of a limited partnership  
5 and between the partners and the limited partnership, and the  
6 liability of partners as partners for an obligation of the  
7 limited partnership.

8 Section 107. SUPPLEMENTAL PRINCIPLES OF LAW--RATE OF  
9 INTEREST.--

10 A. Unless displaced by particular provisions of the  
11 Uniform Limited Partnership Act (2001), the principles of law  
12 and equity supplement that act.

13 B. If an obligation to pay interest arises pursuant  
14 to the Uniform Limited Partnership Act (2001) and the rate is  
15 not specified, the rate is that specified in Section 56-8-4  
16 NMSA 1978 for judgments and decrees.

17 Section 108. NAME.--

18 A. The name of a limited partnership may contain  
19 the name of any partner.

20 B. The name of a limited partnership that is not a  
21 limited liability limited partnership shall contain the phrase  
22 "limited partnership" or the abbreviation "L.P." or "LP" and  
23 shall not contain the phrase "limited liability limited  
24 partnership" or the abbreviation "LLLP" or "L.L.L.P.".

25 C. The name of a limited liability limited

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1 partnership shall contain the phrase "limited liability limited  
2 partnership" or the abbreviation "LLLP" or "L.L.L.P." and shall  
3 not contain the abbreviation "L.P." or "LP".

4 D. Unless authorized by Subsection E of this  
5 section, the name of a limited partnership must be  
6 distinguishable in the records of the secretary of state from:

7 (1) the name of each person other than an  
8 individual incorporated, organized or authorized to transact  
9 business in this state;

10 (2) each name reserved pursuant to Section 109  
11 of the Uniform Limited Partnership Act (2001) or Section  
12 53-11-8 or 53-19-4 NMSA 1978; and

13 (3) each name registered pursuant to Section  
14 53-11-9 NMSA 1978.

15 E. A limited partnership may apply to the secretary  
16 of state for authorization to use a name that does not comply  
17 with Subsection D of this section. The secretary of state  
18 shall authorize use of the name applied for if, as to each  
19 conflicting name:

20 (1) the present user, registrant or owner of  
21 the conflicting name consents in a signed record to the use and  
22 submits an undertaking in a form satisfactory to the secretary  
23 of state to change the conflicting name to a name that complies  
24 with Subsection D of this section and is distinguishable in the  
25 records of the secretary of state from the name applied for;

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1 (2) the applicant delivers to the secretary of  
2 state a certified copy of the final judgment of a court of  
3 competent jurisdiction establishing the applicant's right to  
4 use in this state the name applied for; or

5 (3) the applicant delivers to the secretary of  
6 state proof satisfactory to the secretary of state that the  
7 present user, registrant or owner of the conflicting name:

8 (a) has merged into the applicant;

9 (b) has been converted into the  
10 applicant; or

11 (c) has transferred substantially all of  
12 its assets, including the conflicting name, to the applicant.

13 F. Subject to Section 905 of the Uniform Limited  
14 Partnership Act (2001), this section applies to any foreign  
15 limited partnership transacting business in this state, having  
16 a certificate of authority to transact business in this state,  
17 or applying for a certificate of authority.

18 Section 109. RESERVATION OF NAME.--

19 A. The exclusive right to the use of a name that  
20 complies with Section 108 of the Uniform Limited Partnership  
21 Act (2001) may be reserved by:

22 (1) a person intending to organize a limited  
23 partnership pursuant to that act and to adopt the name;

24 (2) a limited partnership or a foreign limited  
25 partnership authorized to transact business in this state

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1 intending to adopt the name;

2 (3) a foreign limited partnership intending to  
3 obtain a certificate of authority to transact business in this  
4 state and adopt the name;

5 (4) a person intending to organize a foreign  
6 limited partnership and intending to have it obtain a  
7 certificate of authority to transact business in this state and  
8 adopt the name;

9 (5) a foreign limited partnership formed under  
10 the name; or

11 (6) a foreign limited partnership formed under  
12 a name that does not comply with Subsection B or C of Section  
13 108 of the Uniform Limited Partnership Act (2001), but the name  
14 reserved pursuant to this paragraph may differ from the foreign  
15 limited partnership's name only to the extent necessary to  
16 comply with Subsections B and C of Section 108 of the Uniform  
17 Limited Partnership Act (2001).

18 B. A person may apply to reserve a name pursuant to  
19 Subsection A of this section by delivering to the secretary of  
20 state for filing an application that states the name to be  
21 reserved and the paragraph of Subsection A of this section that  
22 applies. If the secretary of state finds that the name is  
23 available for use by the applicant, the secretary of state  
24 shall file a statement of name reservation and thereby reserve  
25 the name for the exclusive use of the applicant for one hundred

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1 twenty days.

2 C. An applicant that has reserved a name pursuant  
3 to Subsection B of this section may reserve the same name for  
4 additional one hundred twenty-day periods. A person having a  
5 current reservation for a name may not apply for another one  
6 hundred twenty-day period for the same name until ninety days  
7 have elapsed in the current reservation.

8 D. A person that has reserved a name pursuant to  
9 this section may deliver to the secretary of state for filing a  
10 notice of transfer that states the reserved name, the name and  
11 street and mailing address of some other person to which the  
12 reservation is to be transferred and the paragraph of  
13 Subsection A of this section that applies to the other person.  
14 Subject to Subsection C of Section 206 of the Uniform Limited  
15 Partnership Act (2001), the transfer is effective when the  
16 secretary of state files the notice of transfer.

17 Section 110. EFFECT OF PARTNERSHIP AGREEMENT--NONWAIVABLE  
18 PROVISIONS.--

19 A. Except as otherwise provided in Subsection B of  
20 this section, the partnership agreement governs relations  
21 between the partners and between the partners and the  
22 partnership. To the extent the partnership agreement does not  
23 otherwise provide, the Uniform Limited Partnership Act (2001)  
24 governs relations between the partners and between the partners  
25 and the partnership.

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B. A partnership agreement may not:

(1) vary a limited partnership's power pursuant to Section 105 of the Uniform Limited Partnership Act (2001) to sue, be sued and defend in its own name;

(2) vary the law applicable to a limited partnership pursuant to Section 106 of the Uniform Limited Partnership Act (2001);

(3) vary the requirements of Section 204 of the Uniform Limited Partnership Act (2001) or Section 54-2-12 NMSA 1978;

(4) vary the information required pursuant to Section 111 of the Uniform Limited Partnership Act (2001) or Section 54-2-6 NMSA 1978 or unreasonably restrict the right to information pursuant to Section 304 or 407 of the Uniform Limited Partnership Act (2001), but the partnership agreement may impose reasonable restrictions on the availability and use of information obtained pursuant to those sections and may define appropriate remedies, including liquidated damages, for a breach of any reasonable restriction on use;

(5) eliminate the duty of loyalty pursuant to Section 408 of the Uniform Limited Partnership Act (2001), but the partnership agreement may:

(a) identify specific types or categories of activities that do not violate the duty of loyalty, if not manifestly unreasonable; and

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1 (b) specify the number or percentage of  
2 partners that may authorize or ratify, after full disclosure to  
3 all partners of all material facts, a specific act or  
4 transaction that otherwise would violate the duty of loyalty;

5 (6) unreasonably reduce the duty of care  
6 pursuant to Subsection C of Section 408 of the Uniform Limited  
7 Partnership Act (2001);

8 (7) eliminate the obligation of good faith and  
9 fair dealing pursuant to Subsection B of Section 305 and  
10 Subsection D of Section 408 of the Uniform Limited Partnership  
11 Act (2001), but the partnership agreement may prescribe the  
12 standards by which the performance of the obligation is to be  
13 measured, if the standards are not manifestly unreasonable;

14 (8) vary the power of a person to dissociate  
15 as a general partner pursuant to Subsection A of Section 604 of  
16 the Uniform Limited Partnership Act (2001) except to require  
17 that the notice pursuant to Subsection A of Section 603 of the  
18 Uniform Limited Partnership Act (2001) be in a record;

19 (9) vary the power of a court to decree  
20 dissolution in the circumstances specified in Section 802 of  
21 the Uniform Limited Partnership Act (2001);

22 (10) vary the requirement to wind up the  
23 partnership's business as specified in Section 803 of the  
24 Uniform Limited Partnership Act (2001);

25 (11) unreasonably restrict the right to

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1 maintain an action pursuant to Article 10 of the Uniform  
2 Limited Partnership Act (2001);

3 (12) restrict the right of a partner pursuant  
4 to Subsection A of Section 1110 of the Uniform Limited  
5 Partnership Act (2001) to approve a conversion or merger; or

6 (13) restrict rights pursuant to the Uniform  
7 Limited Partnership Act (2001) of a person other than a partner  
8 or a transferee.

9 Section 111. REQUIRED INFORMATION.--A limited partnership  
10 shall maintain at its designated office the following  
11 information:

12 A. a current list showing the full name and last  
13 known street and mailing address of each partner, separately  
14 identifying the general partners, in alphabetical order, and  
15 the limited partners, in alphabetical order;

16 B. a copy of the initial certificate of limited  
17 partnership and all amendments to and restatements of the  
18 certificate, together with signed copies of any powers of  
19 attorney under which any certificate, amendment or restatement  
20 has been signed;

21 C. a copy of any filed articles of conversion or  
22 merger;

23 D. a copy of the limited partnership's federal,  
24 state and local income tax returns and reports, if any, for the  
25 three most recent years;

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1 E. a copy of any partnership agreement made in a  
2 record and any amendment made in a record to any partnership  
3 agreement;

4 F. a copy of any financial statement of the limited  
5 partnership for the three most recent years;

6 G. a copy of any record made by the limited  
7 partnership during the past three years of any consent given by  
8 or vote taken of any partner pursuant to the Uniform Limited  
9 Partnership Act (2001) or the partnership agreement; and

10 H. unless contained in a partnership agreement made  
11 in a record, a record stating:

12 (1) the amount of cash, and a description and  
13 statement of the agreed value of the other benefits,  
14 contributed and agreed to be contributed by each partner;

15 (2) the times at which, or events on the  
16 happening of which, any additional contributions agreed to be  
17 made by each partner are to be made;

18 (3) for any person that is both a general  
19 partner and a limited partner, a specification of what  
20 transferable interest the person owns in each capacity; and

21 (4) any events upon the happening of which the  
22 limited partnership is to be dissolved and its activities wound  
23 up.

24 Section 112. BUSINESS TRANSACTIONS OF PARTNER WITH  
25 PARTNERSHIP.--A partner may lend money to and transact other

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1 business with the limited partnership and has the same rights  
2 and obligations with respect to the loan or other transaction  
3 as a person that is not a partner.

4 Section 113. DUAL CAPACITY.--A person may be both a  
5 general partner and a limited partner. A person that is both a  
6 general and limited partner has the rights, powers, duties and  
7 obligations provided by the Uniform Limited Partnership Act  
8 (2001) and the partnership agreement in each of those  
9 capacities. When the person acts as a general partner, the  
10 person is subject to the obligations, duties and restrictions  
11 pursuant to that act and the partnership agreement for general  
12 partners. When the person acts as a limited partner, the  
13 person is subject to the obligations, duties and restrictions  
14 pursuant to that act and the partnership agreement for limited  
15 partners.

16 Section 114. OFFICE AND AGENT FOR SERVICE OF PROCESS.--

17 A. A limited partnership shall designate and  
18 continuously maintain in this state:

19 (1) an office, which need not be a place of  
20 its activity in this state; and

21 (2) an agent for service of process.

22 B. A foreign limited partnership shall designate  
23 and continuously maintain in this state an agent for service of  
24 process.

25 C. An agent for service of process of a limited

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1 partnership or foreign limited partnership must be an  
2 individual who is a resident of this state or other person  
3 authorized to do business in this state.

4 Section 115. CHANGE OF DESIGNATED OFFICE OR AGENT FOR  
5 SERVICE OF PROCESS.--In order to change its designated office,  
6 agent for service of process or the address of its agent for  
7 service of process, a limited partnership or a foreign limited  
8 partnership shall deliver to the secretary of state for filing  
9 an amendment or restatement of its certificate of limited partnership.

10 Section 116. RESIGNATION OF AGENT FOR SERVICE OF  
11 PROCESS.--

12 A. In order to resign as an agent for service of  
13 process of a limited partnership or foreign limited  
14 partnership, the agent must deliver to the secretary of state  
15 for filing a statement of resignation containing the name of  
16 the limited partnership or foreign limited partnership.

17 B. After receiving a statement of resignation, the  
18 secretary of state shall file it and mail a copy to the  
19 designated office of the limited partnership or foreign limited  
20 partnership and mail another copy to the principal office if  
21 the address of the office appears in the records of the  
22 secretary of state and is different from the address of the  
23 designated office.

24 C. An agency for service of process is terminated  
25 on the thirty-first day after the secretary of state files the

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1 statement of resignation.

2 Section 117. SERVICE OF PROCESS.--

3 A. An agent for service of process appointed by a  
4 limited partnership or foreign limited partnership is an agent  
5 of the limited partnership or foreign limited partnership for  
6 service of any process, notice or demand required or permitted  
7 by law to be served upon the limited partnership or foreign  
8 limited partnership.

9 B. If a limited partnership or foreign limited  
10 partnership does not appoint or maintain an agent for service  
11 of process in this state or the agent for service of process  
12 cannot with reasonable diligence be found at the agent's  
13 address, the secretary of state is an agent of the limited  
14 partnership or foreign limited partnership upon whom process,  
15 notice or demand may be served.

16 C. Service of any process, notice or demand on the  
17 secretary of state may be made by delivering to and leaving  
18 with the secretary of state duplicate copies of the process,  
19 notice or demand and the fee required by Section 210 of the  
20 Uniform Limited Partnership Act (2001). If a process, notice  
21 or demand is served on the secretary of state, the secretary of  
22 state shall forward one of the copies by registered or  
23 certified mail, return receipt requested, to the limited  
24 partnership or foreign limited partnership at its designated  
25 office.

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1           D. Service is effected pursuant to Subsection C of  
2 this section at the earliest of:

3                   (1) the date the limited partnership or  
4 foreign limited partnership receives the process, notice or  
5 demand;

6                   (2) the date shown on the return receipt, if  
7 signed on behalf of the limited partnership or foreign limited  
8 partnership; or

9                   (3) ten days after the process, notice or  
10 demand is deposited in the mail, if mailed postpaid and  
11 correctly addressed.

12           E. The secretary of state shall keep a record of  
13 each process, notice and demand served pursuant to this section  
14 and record the time of, and the action taken regarding, the  
15 service. These records may be destroyed after five years.

16           F. This section does not affect the right to serve  
17 process, notice or demand in any other manner provided by law.

18           Section 118. CONSENT AND PROXIES OF PARTNERS.--Action  
19 requiring the consent of partners pursuant to the Uniform  
20 Limited Partnership Act (2001) may be taken without a meeting,  
21 and a partner may appoint a proxy to consent or otherwise act  
22 for the partner by signing an appointment record, either  
23 personally or by the partner's attorney in fact.

24           Section 119. LIMITED PARTNERSHIP SUBJECT TO AMENDMENT OR  
25 REPEAL OF THE UNIFORM LIMITED PARTNERSHIP ACT (2001).--A

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1 limited partnership governed by the Uniform Limited Partnership  
2 Act (2001) is subject to any amendment to or repeal of that  
3 act.

4 ARTICLE 2  
5 FORMATION; CERTIFICATE OF  
6 LIMITED PARTNERSHIP AND OTHER FILINGS

7 Section 201. FORMATION OF LIMITED PARTNERSHIP--  
8 CERTIFICATE OF LIMITED PARTNERSHIP.--

9 A. In order for a limited partnership to be formed,  
10 a certificate of limited partnership must be delivered to the  
11 secretary of state for filing. The certificate must state:

12 (1) the name of the limited partnership, which  
13 must comply with Section 108 of the Uniform Limited Partnership  
14 Act (2001);

15 (2) the street and mailing address of the  
16 initial designated office and the name and street and mailing  
17 address of the initial agent for service of process;

18 (3) the name and street and mailing address of  
19 each general partner;

20 (4) that the limited partnership is a limited  
21 liability partnership; and

22 (5) any additional information required by  
23 Article 11 of the Uniform Limited Partnership Act (2001).

24 B. A certificate of limited partnership may also  
25 contain any other matters but may not vary or otherwise affect

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1 the provisions specified in Subsection B of Section 110 of the  
2 Uniform Limited Partnership Act (2001) in a manner inconsistent  
3 with that section.

4 C. If there has been substantial compliance with  
5 Subsection A of this section, subject to Subsection C of  
6 Section 206 of the Uniform Limited Partnership Act (2001), a  
7 limited partnership is formed when the secretary of state files  
8 the certificate of limited partnership. The filing of a  
9 limited partnership certificate establishes that all conditions  
10 precedent to the formation of the limited partnership have been  
11 satisfied and that the limited partnership has been duly  
12 organized under the Uniform Limited Partnership Act (2001).

13 D. Subject to Subsection B of this section, if any  
14 provision of a partnership agreement is inconsistent with the  
15 filed certificate of limited partnership or with a filed  
16 statement of dissociation, termination or filed articles of  
17 conversion or merger:

18 (1) the partnership agreement prevails as to  
19 partners and transferees; and

20 (2) the filed certificate of limited  
21 partnership, statement of dissociation, termination or filed  
22 articles of conversion or merger prevail as to persons, other  
23 than partners and transferees, that reasonably rely on the  
24 filed record to their detriment.

25 E. Certificates of limited partnership filed with a

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1 county clerk before July 1, 1993 may be refiled with the  
2 secretary of state. Such a refiling supersedes the filing in  
3 the county clerk's office. Certificates of limited partnership  
4 not refiled with the secretary of state shall remain valid  
5 until expiration or until cancellation pursuant to a  
6 certificate of cancellation filed with the county clerk.

7 Section 202. AMENDMENT OR RESTATEMENT OF CERTIFICATE.--

8 A. In order to amend its certificate of limited  
9 partnership, a limited partnership must deliver to the  
10 secretary of state for filing an amendment or, pursuant to  
11 Article 11 of the Uniform Limited Partnership Act (2001),  
12 articles of merger stating:

13 (1) the name of the limited partnership;

14 (2) the date of filing of its initial  
15 certificate;

16 (3) any identification number assigned by the  
17 secretary of state to the limited partnership or the initial  
18 certificate, or both; and

19 (4) the changes the amendment makes to the  
20 certificate as most recently amended or restated.

21 B. A limited partnership shall promptly deliver to  
22 the secretary of state for filing an amendment to a certificate  
23 of limited partnership to reflect:

24 (1) any change in the information stated in  
25 its certificate of limited partnership;

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1 (2) a change of name of the limited  
2 partnership, if its name does not comply with Section 108 of  
3 the Uniform Limited Partnership Act (2001);

4 (3) any other additional or different  
5 information required to be stated in its limited partnership  
6 certificate by Section 201 of the Uniform Limited Partnership  
7 Act (2001) that is not stated in the certificate; or

8 (4) the appointment of a person to wind up the  
9 limited partnership's activities pursuant to Subsection C or D  
10 of Section 803 of the Uniform Limited Partnership Act (2001).

11 C. A general partner that knows that any  
12 information in a filed certificate of limited partnership was  
13 false when the certificate was filed or has become false due to  
14 changed circumstances shall promptly:

15 (1) cause the certificate to be amended; or

16 (2) if appropriate, deliver to the secretary  
17 of state for filing a statement of correction pursuant to  
18 Section 207 of the Uniform Limited Partnership Act (2001).

19 D. A certificate of limited partnership may be  
20 amended at any time for any other proper purpose as determined  
21 by the limited partnership.

22 E. A restated certificate of limited partnership  
23 may be delivered to the secretary of state for filing in the  
24 same manner as an amendment.

25 F. Subject to Subsection C of Section 206 of the

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1 Uniform Limited Partnership Act (2001), an amendment or  
2 restated certificate is effective when filed by the secretary  
3 of state.

4 Section 203. STATEMENT OF TERMINATION.--A dissolved  
5 limited partnership that has completed winding up may deliver  
6 to the secretary of state for filing a statement of termination  
7 that states:

- 8 A. the name of the limited partnership;  
9 B. the date of filing of its initial certificate of  
10 limited partnership; and  
11 C. any other information as determined by the  
12 general partners filing the statement or by a person appointed  
13 pursuant to Subsection C or D of Section 803 of the Uniform  
14 Limited Partnership Act (2001).

15 Section 204. SIGNING OF RECORDS.--

16 A. Each record delivered to the secretary of state  
17 for filing pursuant to the Uniform Limited Partnership Act  
18 (2001) must be signed in the following manner:

19 (1) an initial certificate of limited  
20 partnership must be signed by all general partners listed in  
21 the certificate;

22 (2) an amendment designating as general  
23 partner a person admitted pursuant to Paragraph (2) of  
24 Subsection C of Section 801 of the Uniform Limited Partnership  
25 Act (2001) following the dissociation of a limited

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1 partnership's last general partner must be signed by that  
2 person;

3 (3) an amendment required by Subsection C of  
4 Section 803 of the Uniform Limited Partnership Act (2001)  
5 following the appointment of a person to wind up the dissolved  
6 limited partnership's activities must be signed by that person;

7 (4) any other amendment must be signed by:

8 (a) at least one general partner listed  
9 in the certificate;

10 (b) each other person designated in the  
11 amendment as a new general partner; and

12 (c) each person that the amendment  
13 indicates has dissociated as a general partner, unless: 1) the  
14 person is deceased or a guardian or general conservator has  
15 been appointed for the person and the amendment so states; or  
16 2) the person has previously delivered to the secretary of  
17 state for filing a statement of dissociation;

18 (5) a restated certificate of limited  
19 partnership must be signed by at least one general partner  
20 listed in the certificate, and, to the extent the restated  
21 certificate effects a change pursuant to any other paragraph of  
22 this subsection, the certificate must be signed in a manner  
23 that satisfies that paragraph;

24 (6) a statement of termination must be signed  
25 by all general partners listed in the certificate or, if the

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1 certificate of a dissolved limited partnership lists no general  
2 partners, by the person appointed pursuant to Subsection C or D  
3 of Section 803 of the Uniform Limited Partnership Act (2001) to  
4 wind up the dissolved limited partnership's activities;

5 (7) articles of conversion must be signed by  
6 each general partner listed in the certificate of limited  
7 partnership;

8 (8) articles of merger must be signed as  
9 provided in Subsection A of Section 1108 of the Uniform Limited  
10 Partnership Act (2001);

11 (9) any other record delivered on behalf of a  
12 limited partnership to the secretary of state for filing must  
13 be signed by at least one general partner listed in the  
14 certificate;

15 (10) a statement by a person pursuant to  
16 Paragraph (4) of Subsection A of Section 605 of the Uniform  
17 Limited Partnership Act (2001) stating that the person has  
18 dissociated as a general partner must be signed by that person;

19 (11) a statement of withdrawal by a person  
20 pursuant to Section 306 of the Uniform Limited Partnership Act  
21 (2001) must be signed by that person;

22 (12) a record delivered on behalf of a foreign  
23 limited partnership to the secretary of state for filing must  
24 be signed by at least one general partner of the foreign  
25 limited partnership; and

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1 (13) any other record delivered on behalf of  
2 any person to the secretary of state for filing must be signed  
3 by that person.

4 B. Any person may sign by an attorney in fact any  
5 record to be filed pursuant to the Uniform Limited Partnership  
6 Act (2001).

7 Section 205. SIGNING AND FILING PURSUANT TO JUDICIAL  
8 ORDER.--

9 A. If a person required by the Uniform Limited  
10 Partnership Act (2001) to sign a record or deliver a record to  
11 the secretary of state for filing does not do so, any other  
12 person that is aggrieved may petition the district court to  
13 order:

14 (1) the person to sign the record;

15 (2) deliver the record to the secretary of  
16 state for filing; or

17 (3) the secretary of state to file the record  
18 unsigned.

19 B. If the person aggrieved pursuant to Subsection A  
20 of this section is not the limited partnership or foreign  
21 limited partnership to which the record pertains, the aggrieved  
22 person shall make the limited partnership or foreign limited  
23 partnership a party to the action. A person aggrieved pursuant  
24 to Subsection A of this section may seek the remedies provided  
25 in Subsection A of this section in the same action in

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1 combination or in the alternative.

2 C. A record filed unsigned pursuant to this section  
3 is effective without being signed.

4 Section 206. DELIVERY TO AND FILING OF RECORDS BY  
5 SECRETARY OF STATE--EFFECTIVE TIME AND DATE.--

6 A. A record authorized or required to be delivered  
7 to the secretary of state for filing pursuant to the Uniform  
8 Limited Partnership Act (2001) must:

9 (1) be captioned to describe the record's  
10 purpose;

11 (2) be in a medium permitted by the secretary  
12 of state;

13 (3) use the English language, except for  
14 proper names, which must use letters of the English alphabet,  
15 and Arabic numbers;

16 (4) state any identification number issued by  
17 the secretary of state to the limited partnership to which the  
18 record refers, to any filed record to which the record refers,  
19 or both;

20 (5) be accompanied by the fee required by  
21 Section 210 of that act, or an amount greater than that fee,  
22 but any amount greater than that fee shall not be refunded; and

23 (6) be delivered to the secretary of state.

24 B. Unless the secretary of state determines that a  
25 record does not comply with the filing requirements of the

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1 Uniform Limited Partnership Act (2001), and if all filing fees  
2 have been paid, the secretary of state shall endorse on it the  
3 word "filed" and the day, month and year of filing, file the  
4 record and:

5 (1) for a statement of dissociation, send:

6 (a) a copy of the filed statement and a  
7 receipt for the fees to the person that the statement indicates  
8 has dissociated as a general partner; and

9 (b) a copy of the filed statement and  
10 receipt to the limited partnership;

11 (2) for a statement of withdrawal by a person  
12 pursuant to Section 306 of the Uniform Limited Partnership Act  
13 (2001), send:

14 (a) a copy of the filed statement and a  
15 receipt for the fees to the person on whose behalf the record  
16 was filed; and

17 (b) if the statement refers to an  
18 existing limited partnership, a copy of the filed statement and  
19 receipt to the limited partnership; and

20 (3) for all other records, send a copy of the  
21 filed record and a receipt for the fees to the person on whose  
22 behalf the record was filed.

23 C. Upon request and payment of a fee, the secretary  
24 of state shall send to the requester a certified copy of the  
25 requested record.

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1           D. Except as otherwise provided in Sections 116 and  
2 207 of the Uniform Limited Partnership Act (2001), a record  
3 delivered to the secretary of state for filing pursuant to the  
4 Uniform Limited Partnership Act (2001) may specify an effective  
5 time and a delayed effective date. Except as otherwise  
6 provided in the Uniform Limited Partnership Act (2001), a  
7 record filed by the secretary of state is effective:

8                   (1) if the record does not specify an  
9 effective time and does not specify a delayed effective date,  
10 on the date and at the time the record is filed as evidenced by  
11 the secretary of state's endorsement of the date and time on  
12 the record;

13                   (2) if the record specifies an effective time  
14 but not a delayed effective date, on the date the record is  
15 filed at the time specified in the record;

16                   (3) if the record specifies a delayed  
17 effective date but not an effective time, at 12:01 a.m. on the  
18 earlier of:

19                           (a) the specified date; or

20                           (b) the ninetieth day after the record  
21 is filed; or

22                   (4) if the record specifies an effective time  
23 and a delayed effective date, at the specified time on the  
24 earlier of:

25                           (a) the specified date; or

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1 (b) the ninetieth day after the record  
2 is filed.

3 Section 207. CORRECTING FILED RECORD.--

4 A. A limited partnership or foreign limited  
5 partnership shall deliver to the secretary of state for filing  
6 a statement of correction to correct a record previously  
7 delivered by the limited partnership or foreign limited  
8 partnership to the secretary of state and filed by the  
9 secretary of state, if at the time of filing the record  
10 contained false or erroneous information or was defectively  
11 signed. The statement of correction shall be delivered to the  
12 secretary of state for filing promptly after the limited  
13 partnership or foreign limited partnership has notice that the  
14 information in the filed record was false or erroneous at the  
15 time it was filed or that the filed record was defectively  
16 signed.

17 B. A statement of correction may not state a  
18 delayed effective date and must:

19 (1) describe the record to be corrected,  
20 including its filing date, or attach a copy of the record as  
21 filed;

22 (2) state any identification number assigned  
23 by the secretary of state to the limited partnership, to the  
24 record to be corrected, or both;

25 (3) specify the incorrect information and the

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1 reason it is incorrect or the manner in which the signing was  
2 defective; and

3 (4) correct the incorrect information or  
4 defective signature.

5 C. When filed by the secretary of state, a  
6 statement of correction is effective retroactively as of the  
7 effective date of the record the statement corrects, but the  
8 statement is effective when filed:

9 (1) for the purposes of Subsections C and D of  
10 Section 103 of the Uniform Limited Partnership Act (2001); and

11 (2) as to persons relying on the uncorrected  
12 record and adversely affected by the correction.

13 Section 208. LIABILITY FOR FALSE INFORMATION IN FILED  
14 RECORD.--

15 A. If a record delivered to the secretary of state  
16 for filing pursuant to the Uniform Limited Partnership Act  
17 (2001) and filed by the secretary of state contains false  
18 information, a person that suffers loss by reliance on the  
19 information may recover damages for the loss from:

20 (1) a person that signed the record, or caused  
21 another to sign it on the person's behalf, and knew the  
22 information to be false at the time the record was signed; and

23 (2) a general partner that has notice that the  
24 information was false when the record was filed or has become  
25 false because of changed circumstances, if the general partner

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1 has notice for a reasonably sufficient time before the  
2 information is relied upon to enable the general partner to  
3 effect an amendment pursuant to Section 202 of the Uniform  
4 Limited Partnership Act (2001), file a petition pursuant to  
5 Section 205 of that act or deliver to the secretary of state  
6 for filing a statement of correction pursuant to Section 207 of  
7 that act or a revised application for a certificate of  
8 authority to transact business in this state pursuant to  
9 Section 906 of that act.

10 B. Signing a record authorized or required to be  
11 filed pursuant to the Uniform Limited Partnership Act (2001)  
12 constitutes an affirmation under the penalties of perjury that  
13 the facts stated in the record are true.

14 Section 209. CERTIFICATE OF EXISTENCE OR AUTHORIZATION.--

15 A. The secretary of state, upon request and payment  
16 of the requisite fee, shall furnish a certificate of existence  
17 for a limited partnership if the records filed in the office of  
18 the secretary of state show that the secretary of state has  
19 filed a certificate of limited partnership and has not filed a  
20 statement of termination. A certificate of existence must  
21 state:

- 22 (1) the limited partnership's name;  
23 (2) that it was duly formed pursuant to the  
24 laws of this state and the date of formation;  
25 (3) any identification number assigned by the

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1 secretary of state to the limited partnership;

2 (4) whether all fees and penalties due to the  
3 secretary of state pursuant to the Uniform Limited Partnership  
4 Act (2001) or other law have been paid;

5 (5) whether the secretary of state has  
6 administratively dissolved the limited partnership;

7 (6) whether the limited partnership's  
8 certificate of limited partnership has been amended to state  
9 that the limited partnership is dissolved;

10 (7) that a statement of termination has not  
11 been filed by the secretary of state; and

12 (8) other facts of record in the office of the  
13 secretary of state, which may be requested by the applicant.

14 B. The secretary of state, upon request and payment  
15 of the requisite fee, shall furnish a certificate of  
16 authorization for a foreign limited partnership if the records  
17 filed in the office of the secretary of state show that the  
18 secretary of state has filed a certificate of authorization,  
19 has not revoked the certificate of authorization and has not  
20 filed a notice of cancellation. A certificate of authorization  
21 must state:

22 (1) the foreign limited partnership's name and  
23 any alternate name adopted pursuant to Subsection A of Section  
24 905 of the Uniform Limited Partnership Act (2001) for use in  
25 this state;

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1 (2) any identification number assigned by the  
2 secretary of state to the foreign limited partnership;

3 (3) that it is authorized to transact business  
4 in this state;

5 (4) whether all fees and penalties due to the  
6 secretary of state pursuant to the Uniform Limited Partnership  
7 Act (2001) or other law have been paid;

8 (5) that the secretary of state has not  
9 revoked its certificate of authorization and has not filed a  
10 notice of cancellation; and

11 (6) other facts of record in the office of the  
12 secretary of state, which may be requested by the applicant.

13 C. Subject to any qualification stated in the  
14 certificate, a certificate of existence or authorization issued  
15 by the secretary of state may be relied upon as conclusive  
16 evidence that the limited partnership or foreign limited  
17 partnership is in existence or is authorized to transact  
18 business in this state.

19 Section 210. SECRETARY OF STATE FEES.--

20 A. The secretary of state shall charge and collect  
21 a fee as follows:

22 (1) filing an initial or restated certificate  
23 of limited partnership, a fee of one hundred dollars (\$100);

24 (2) filing an application for a certificate of  
25 authority by a foreign limited partnership, articles of

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1 conversion or articles of merger, a fee of two hundred dollars  
2 (\$200);

3 (3) filing any other record, a fee of fifty  
4 dollars (\$50.00);

5 (4) furnishing copies of records, a fee of one  
6 dollar (\$1.00) per page, but in no case less than ten dollars  
7 (\$10.00), and a fee of twenty-five dollars (\$25.00) for  
8 certifying the copies, if certified copies are furnished;

9 (5) issuing any other certificate, a fee of  
10 fifty dollars (\$50.00); and

11 (6) service of process or of a notice or  
12 demand on the secretary of state, a fee of fifty dollars  
13 (\$50.00).

14 B. The secretary of state may adopt a schedule of  
15 reasonable fees for providing the following services:

16 (1) an expedited service;

17 (2) upon the adoption of rules authorizing  
18 their use, the handling of checks, drafts, credit or debit  
19 cards, or other means of payment for which sufficient funds are  
20 not on deposit; and

21 (3) other services for which no fee is  
22 established by law.

### 23 ARTICLE 3

#### 24 LIMITED PARTNERS

25 Section 301. BECOMING LIMITED PARTNER.--A person becomes

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1 a limited partner:

2 A. as provided in the partnership agreement;

3 B. as the result of a conversion or merger pursuant  
4 to Article 11 of the Uniform Limited Partnership Act (2001); or

5 C. with the consent of all the partners.

6 Section 302. NO RIGHT OR POWER AS LIMITED PARTNER TO BIND  
7 LIMITED PARTNERSHIP.--A limited partner does not have the right  
8 or the power as a limited partner to act for or bind the  
9 limited partnership.

10 Section 303. NO LIABILITY AS LIMITED PARTNER FOR LIMITED  
11 PARTNERSHIP OBLIGATIONS.--An obligation of a limited  
12 partnership, whether arising in contract, tort or otherwise is  
13 not the obligation of a limited partner. A limited partner is  
14 not personally liable, directly or indirectly, by way of  
15 contribution or otherwise, for an obligation of the limited  
16 partnership solely by reason of being a limited partner, even  
17 if the limited partner participates in the management and  
18 control of the limited partnership.

19 Section 304. RIGHT OF LIMITED PARTNER AND FORMER LIMITED  
20 PARTNER TO INFORMATION.--

21 A. On ten days' demand, made in a record received  
22 by the limited partnership, a limited partner may inspect and  
23 copy required information during regular business hours in the  
24 limited partnership's designated office. The limited partner  
25 need not have any particular purpose for seeking the

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1 information.

2 B. During regular business hours and at a  
3 reasonable location specified by the limited partnership, a  
4 limited partner may obtain from the limited partnership and  
5 inspect and copy true and full information regarding the state  
6 of the activities and financial condition of the limited  
7 partnership and other information regarding the activities of  
8 the limited partnership as is just and reasonable if:

9 (1) the limited partner seeks the information  
10 for a purpose reasonably related to the partner's interest as a  
11 limited partner;

12 (2) the limited partner makes a demand in a  
13 record received by the limited partnership, describing with  
14 reasonable particularity the information sought and the purpose  
15 for seeking the information; and

16 (3) the information sought is directly  
17 connected to the limited partner's purpose.

18 C. Within ten days after receiving a demand  
19 pursuant to Subsection B of this section, the limited  
20 partnership in a record shall inform the limited partner that  
21 made the demand:

22 (1) what information the limited partnership  
23 will provide in response to the demand;

24 (2) when and where the limited partnership  
25 will provide the information; and

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1 (3) if the limited partnership declines to  
2 provide any demanded information, the limited partnership's  
3 reasons for declining.

4 D. Subject to Subsection F of this section, a  
5 person dissociated as a limited partner may inspect and copy  
6 required information during regular business hours in the  
7 limited partnership's designated office if:

8 (1) the information pertains to the period  
9 during which the person was a limited partner;

10 (2) the person seeks the information in good  
11 faith; and

12 (3) the person meets the requirements of  
13 Subsection B of this section.

14 E. The limited partnership shall respond to a  
15 demand made pursuant to Subsection D of this section in the  
16 same manner as provided in Subsection C of this section.

17 F. If a limited partner dies, Section 704 of the  
18 Uniform Limited Partnership Act (2001) applies.

19 G. The limited partnership may impose reasonable  
20 restrictions on the use of information obtained pursuant to  
21 this section. In a dispute concerning the reasonableness of a  
22 restriction pursuant to this subsection, the limited  
23 partnership has the burden of proving reasonableness.

24 H. A limited partnership may charge a person that  
25 makes a demand pursuant to this section reasonable costs of

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1 copying, limited to the costs of labor and material.

2 I. Whenever the Uniform Limited Partnership Act  
3 (2001) or a partnership agreement provides for a limited  
4 partner to give or withhold consent to a matter, before the  
5 consent is given or withheld, the limited partnership shall,  
6 without demand, provide the limited partner with all  
7 information material to the limited partner's decision that the  
8 limited partnership knows.

9 J. A limited partner or person dissociated as a  
10 limited partner may exercise the rights pursuant to this  
11 section through an attorney or other agent. Any restriction  
12 imposed pursuant to Subsection G of this section or by the  
13 partnership agreement applies both to the attorney or other  
14 agent and to the limited partner or person dissociated as a  
15 limited partner.

16 K. The rights stated in this section do not extend  
17 to a person as transferee, but may be exercised by the legal  
18 representative of an individual under legal disability who is a  
19 limited partner or person dissociated as a limited partner.

20 Section 305. LIMITED DUTIES OF LIMITED PARTNERS.--

21 A. A limited partner does not have any fiduciary  
22 duty to the limited partnership or to any other partner solely  
23 by reason of being a limited partner.

24 B. A limited partner shall discharge the duties to  
25 the partnership and the other partners pursuant to the Uniform

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1 Limited Partnership Act (2001) or pursuant to the partnership  
2 agreement and exercise any rights consistently with the  
3 obligation of good faith and fair dealing.

4 C. A limited partner does not violate a duty or  
5 obligation pursuant to the Uniform Limited Partnership Act  
6 (2001) or pursuant to the partnership agreement merely because  
7 the limited partner's conduct furthers the limited partner's  
8 own interest.

9 Section 306. PERSON ERRONEOUSLY BELIEVING SELF TO BE  
10 LIMITED PARTNER.--

11 A. Except as otherwise provided in Subsection B of  
12 this section, a person that makes an investment in a business  
13 enterprise and erroneously but in good faith believes that the  
14 person has become a limited partner in the enterprise is not  
15 liable for the enterprise's obligations by reason of making the  
16 investment, receiving distributions from the enterprise or  
17 exercising any rights of or appropriate to a limited partner,  
18 if, on ascertaining the mistake, the person:

19 (1) causes an appropriate certificate of  
20 limited partnership, amendment or statement of correction to be  
21 signed and delivered to the secretary of state for filing; or

22 (2) withdraws from future participation as an  
23 owner in the enterprise by signing and delivering to the  
24 secretary of state for filing a statement of withdrawal  
25 pursuant to this section.

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1           B. A person that makes an investment described in  
2 Subsection A of this section is liable to the same extent as a  
3 general partner to any third party that enters into a  
4 transaction with the enterprise, believing in good faith that  
5 the person is a general partner, before the secretary of state  
6 files a statement of withdrawal, certificate of limited  
7 partnership, amendment or statement of correction to show that  
8 the person is not a general partner.

9           C. If a person makes a diligent effort in good  
10 faith to comply with Paragraph (1) of Subsection A of this  
11 section and is unable to cause the appropriate certificate of  
12 limited partnership, amendment or statement of correction to be  
13 signed and delivered to the secretary of state for filing, the  
14 person has the right to withdraw from the enterprise pursuant  
15 to Paragraph (2) of Subsection A of this section even if the  
16 withdrawal would otherwise breach an agreement with others that  
17 are or have agreed to become co-owners of the enterprise.

18                           ARTICLE 4

19                           GENERAL PARTNERS

20           Section 401. BECOMING GENERAL PARTNER.--A person becomes  
21 a general partner:

22                   A. as provided in the partnership agreement;

23                   B. pursuant to Paragraph (2) of Subsection C of  
24 Section 801 of the Uniform Limited Partnership Act (2001)  
25 following the dissociation of a limited partnership's last

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1 general partner;

2 C. as the result of a conversion or merger pursuant  
3 to Article 11 of the Uniform Limited Partnership Act (2001); or

4 D. with the consent of all the partners.

5 Section 402. GENERAL PARTNER AGENT OF LIMITED  
6 PARTNERSHIP.--

7 A. Each general partner is an agent of the limited  
8 partnership for the purposes of its activities. An act of a  
9 general partner, including the signing of a record in the  
10 partnership's name, for apparently carrying on in the ordinary  
11 course the limited partnership's activities or activities of  
12 the kind carried on by the limited partnership binds the  
13 limited partnership, unless the general partner did not have  
14 authority to act for the limited partnership in the particular  
15 matter and the person with which the general partner was  
16 dealing knew, had received a notification or had notice  
17 pursuant to Subsection D of Section 103 of the Uniform Limited  
18 Partnership Act (2001) that the general partner lacked  
19 authority.

20 B. An act of a general partner that is not  
21 apparently for carrying on in the ordinary course the limited  
22 partnership's activities or activities of the kind carried on  
23 by the limited partnership binds the limited partnership only  
24 if the act was actually authorized by all the other partners.

25 Section 403. LIMITED PARTNERSHIP LIABLE FOR GENERAL

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1 PARTNER'S ACTIONABLE CONDUCT.--

2 A. A limited partnership is liable for loss or  
3 injury caused to a person, or for a penalty incurred, as a  
4 result of a wrongful act or omission, or other actionable  
5 conduct, of a general partner acting in the ordinary course of  
6 activities of the limited partnership or with authority of the  
7 limited partnership.

8 B. If, in the course of the limited partnership's  
9 activities or while acting with authority of the limited  
10 partnership, a general partner receives or causes the limited  
11 partnership to receive money or property of a person not a  
12 partner, and the money or property is misapplied by a general  
13 partner, the limited partnership is liable for the loss.

14 Section 404. GENERAL PARTNER'S LIABILITY.--

15 A. Except as otherwise provided in Subsections B  
16 and C of this section, all general partners are liable jointly  
17 and severally for all obligations of the limited partnership  
18 unless otherwise agreed by the claimant or provided by law.

19 B. A person that becomes a general partner of an  
20 existing limited partnership is not personally liable for an  
21 obligation of a limited partnership incurred before the person  
22 became a general partner.

23 C. An obligation of a limited partnership incurred  
24 while the limited partnership is a limited liability limited  
25 partnership, whether arising in contract, tort or otherwise is

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1 solely the obligation of the limited partnership. A general  
2 partner is not personally liable, directly or indirectly, by  
3 way of contribution or otherwise, for such an obligation solely  
4 by reason of being or acting as a general partner. This  
5 subsection applies despite anything inconsistent in the  
6 partnership agreement that existed immediately before the  
7 consent required to become a limited liability limited  
8 partnership pursuant to Paragraph (2) of Subsection B of  
9 Section 406 of the Uniform Limited Partnership Act (2001).

10 Section 405. ACTIONS BY AND AGAINST PARTNERSHIP AND  
11 PARTNERS.--

12 A. To the extent not inconsistent with Section 404  
13 of the Uniform Limited Partnership Act (2001), a general  
14 partner may be joined in an action against the limited  
15 partnership or named in a separate action.

16 B. A judgment against a limited partnership is not  
17 by itself a judgment against a general partner. A judgment  
18 against a limited partnership may not be satisfied from a  
19 general partner's assets unless there is also a judgment  
20 against the general partner.

21 C. A judgment creditor of a general partner may not  
22 levy execution against the assets of the general partner to  
23 satisfy a judgment based on a claim against the limited  
24 partnership, unless the partner is personally liable for the  
25 claim pursuant to Section 404 of the Uniform Limited

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1 Partnership Act (2001) and:

2 (1) a judgment based on the same claim has  
3 been obtained against the limited partnership and a writ of  
4 execution on the judgment has been returned unsatisfied in  
5 whole or in part;

6 (2) the limited partnership is a debtor in  
7 bankruptcy;

8 (3) the general partner has agreed that the  
9 creditor need not exhaust limited partnership assets;

10 (4) a court grants permission to the judgment  
11 creditor to levy execution against the assets of a general  
12 partner based on a finding that limited partnership assets  
13 subject to execution are clearly insufficient to satisfy the  
14 judgment, that exhaustion of limited partnership assets is  
15 excessively burdensome or that the grant of permission is an  
16 appropriate exercise of the court's equitable powers; or

17 (5) liability is imposed on the general  
18 partner by law or contract independent of the existence of the  
19 limited partnership.

20 Section 406. MANAGEMENT RIGHTS OF GENERAL PARTNER.--

21 A. Each general partner has equal rights in the  
22 management and conduct of the limited partnership's activities.  
23 Except as expressly provided in the Uniform Limited Partnership  
24 Act (2001), any matter relating to the activities of the  
25 limited partnership may be exclusively decided by the general

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1 partner or, if there is more than one general partner, by a  
2 majority of the general partners.

3 B. The consent of each partner is necessary to:

4 (1) amend the partnership agreement; and

5 (2) sell, lease, exchange or otherwise dispose  
6 of all, or substantially all, of the limited partnership's  
7 property, with or without the goodwill, other than in the usual  
8 and regular course of the limited partnership's activities.

9 C. A limited partnership shall reimburse a general  
10 partner for payments made and indemnify a general partner for  
11 liabilities incurred by the general partner in the ordinary  
12 course of the activities of the partnership or for the  
13 preservation of its activities or property.

14 D. A limited partnership shall reimburse a general  
15 partner for an advance to the limited partnership beyond the  
16 amount of capital the general partner agreed to contribute.

17 E. A payment or advance made by a general partner  
18 that gives rise to an obligation of the limited partnership  
19 pursuant to Subsection C or D of this section constitutes a  
20 loan to the limited partnership, which accrues interest from  
21 the date of the payment or advance.

22 F. A general partner is not entitled to  
23 remuneration for services performed for the partnership.

24 Section 407. RIGHT OF GENERAL PARTNER AND FORMER GENERAL  
25 PARTNER TO INFORMATION.--

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1           A. A general partner, without having any particular  
2 purpose for seeking the information, may inspect and copy  
3 during regular business hours:

4                   (1) in the limited partnership's designated  
5 office, required information; and

6                   (2) at a reasonable location specified by the  
7 limited partnership, any other records maintained by the  
8 limited partnership regarding the limited partnership's  
9 activities and financial condition.

10           B. Each general partner and the limited partnership  
11 shall furnish to a general partner:

12                   (1) without demand, any information concerning  
13 the limited partnership's activities and activities reasonably  
14 required for the proper exercise of the general partner's  
15 rights and duties pursuant to the partnership agreement or the  
16 Uniform Limited Partnership Act (2001); and

17                   (2) on demand, any other information  
18 concerning the limited partnership's activities, except to the  
19 extent the demand or the information demanded is unreasonable  
20 or otherwise improper under the circumstances.

21           C. Subject to Subsection E of this section, on ten  
22 days' demand made in a record received by the limited  
23 partnership, a person dissociated as a general partner may have  
24 access to the information and records described in Subsection A  
25 of this section at the location specified in Subsection A of

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1 this section if:

2 (1) the information or record pertains to the  
3 period during which the person was a general partner;

4 (2) the person seeks the information or record  
5 in good faith; and

6 (3) the person satisfies the requirements  
7 imposed on a limited partner by Subsection B of Section 304 of  
8 the Uniform Limited Partnership Act (2001).

9 D. The limited partnership shall respond to a  
10 demand made pursuant to Subsection C of this section in the  
11 same manner as provided in Subsection C of Section 304 of the  
12 Uniform Limited Partnership Act (2001).

13 E. If a general partner dies, Section 704 of the  
14 Uniform Limited Partnership Act (2001) applies.

15 F. The limited partnership may impose reasonable  
16 restrictions on the use of information pursuant to this  
17 section. In any dispute concerning the reasonableness of a  
18 restriction pursuant to this subsection, the limited  
19 partnership has the burden of proving reasonableness.

20 G. A limited partnership may charge a person  
21 dissociated as a general partner that makes a demand pursuant  
22 to this section reasonable costs of copying, limited to the  
23 costs of labor and material.

24 H. A general partner or person dissociated as a  
25 general partner may exercise the rights pursuant to this

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1 section through an attorney or other agent. Any restriction  
2 imposed pursuant to Subsection F of this section or by the  
3 partnership agreement applies both to the attorney or other  
4 agent and to the general partner or person dissociated as a  
5 general partner.

6 I. The rights pursuant to this section do not  
7 extend to a person as transferee, but the rights pursuant to  
8 Subsection C of this section of a person dissociated as a  
9 general partner may be exercised by the legal representative of  
10 an individual who dissociated as a general partner pursuant to  
11 Paragraph (2) or (3) of Subsection G of Section 603 of the  
12 Uniform Limited Partnership Act (2001).

13 Section 408. GENERAL STANDARDS OF GENERAL PARTNER'S  
14 CONDUCT.--

15 A. The only fiduciary duties that a general partner  
16 has to the limited partnership and the other partners are the  
17 duties of loyalty and care pursuant to Subsections B and C of  
18 this section.

19 B. A general partner's duty of loyalty to the  
20 limited partnership and the other partners is limited to the  
21 following:

22 (1) to account to the limited partnership and  
23 hold as trustee for it any property, profit or benefit derived  
24 by the general partner in the conduct and winding up of the  
25 limited partnership's activities or derived from a use by the

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1 general partner of limited partnership property, including the  
2 appropriation of a limited partnership opportunity;

3 (2) to refrain from dealing with the limited  
4 partnership in the conduct or winding up of the limited  
5 partnership's activities as or on behalf of a party having an  
6 interest adverse to the limited partnership; and

7 (3) to refrain from competing with the limited  
8 partnership in the conduct or winding up of the limited  
9 partnership's activities.

10 C. A general partner's duty of care to the limited  
11 partnership and the other partners in the conduct and winding  
12 up of the limited partnership's activities is limited to  
13 refraining from engaging in grossly negligent or reckless  
14 conduct, intentional misconduct or a knowing violation of law.

15 D. A general partner shall discharge the duties to  
16 the partnership and the other partners pursuant to the Uniform  
17 Limited Partnership Act (2001) or pursuant to the partnership  
18 agreement and exercise any rights consistently with the  
19 obligation of good faith and fair dealing.

20 E. A general partner does not violate a duty or  
21 obligation pursuant to the Uniform Limited Partnership Act  
22 (2001) or pursuant to the partnership agreement merely because  
23 the general partner's conduct furthers the general partner's  
24 own interest.

25 ARTICLE 5

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1           Section 503. SHARING OF DISTRIBUTIONS.--A distribution by  
2 a limited partnership must be shared among the partners on the  
3 basis of the value, as stated in the required records when the  
4 limited partnership decides to make the distribution, of the  
5 contributions the limited partnership has received from each  
6 partner.

7           Section 504. INTERIM DISTRIBUTIONS.--A partner does not  
8 have a right to any distribution before the dissolution and  
9 winding up of the limited partnership unless the limited  
10 partnership decides to make an interim distribution.

11           Section 505. NO DISTRIBUTION ON ACCOUNT OF  
12 DISSOCIATION.--A person does not have a right to receive a  
13 distribution on account of dissociation.

14           Section 506. DISTRIBUTION IN KIND.--A partner does not  
15 have a right to demand or receive any distribution from a  
16 limited partnership in any form other than cash. Subject to  
17 Subsection B of Section 812 of the Uniform Limited Partnership  
18 Act (2001), a limited partnership may distribute an asset in  
19 kind to the extent each partner receives a percentage of the  
20 asset equal to the partner's share of distributions.

21           Section 507. RIGHT TO DISTRIBUTION.--When a partner or  
22 transferee becomes entitled to receive a distribution, the  
23 partner or transferee has the status of, and is entitled to all  
24 remedies available to, a creditor of the limited partnership  
25 with respect to the distribution. However, the limited

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1 partnership's obligation to make a distribution is subject to  
2 offset for any amount owed to the limited partnership by the  
3 partner or dissociated partner on whose account the  
4 distribution is made.

5 Section 508. LIMITATIONS ON DISTRIBUTION.--

6 A. A limited partnership may not make a  
7 distribution in violation of the partnership agreement.

8 B. A limited partnership may not make a  
9 distribution if after the distribution:

10 (1) the limited partnership would not be able  
11 to pay its debts as they become due in the ordinary course of  
12 the limited partnership's activities; or

13 (2) the limited partnership's total assets  
14 would be less than the sum of its total liabilities plus the  
15 amount that would be needed, if the limited partnership were to  
16 be dissolved, wound up and terminated at the time of the  
17 distribution, to satisfy the preferential rights upon  
18 dissolution, winding up and termination of partners whose  
19 preferential rights are superior to those of persons receiving  
20 the distribution.

21 C. A limited partnership may base a determination  
22 that a distribution is not prohibited pursuant to Subsection B  
23 of this section on financial statements prepared on the basis  
24 of accounting practices and principles that are reasonable in  
25 the circumstances or on a fair valuation or other method that

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1 is reasonable in the circumstances.

2 D. Except as otherwise provided in Subsection G of  
3 this section, the effect of a distribution pursuant to  
4 Subsection B of this section is measured:

5 (1) in the case of distribution by purchase,  
6 redemption or other acquisition of a transferable interest in  
7 the limited partnership, as of the date money or other property  
8 is transferred or debt incurred by the limited partnership; and

9 (2) in all other cases, as of the date:

10 (a) the distribution is authorized, if  
11 the payment occurs within one hundred twenty days after that  
12 date; or

13 (b) the payment is made, if payment  
14 occurs more than one hundred twenty days after the distribution  
15 is authorized.

16 E. A limited partnership's indebtedness to a  
17 partner incurred by reason of a distribution made in accordance  
18 with this section is at parity with the limited partnership's  
19 indebtedness to its general, unsecured creditors.

20 F. A limited partnership's indebtedness, including  
21 indebtedness issued in connection with or as part of a  
22 distribution, is not considered a liability for purposes of  
23 Subsection B of this section if the terms of the indebtedness  
24 provide that payment of principal and interest are made only to  
25 the extent that a distribution could then be made to partners

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1 pursuant to this section.

2 G. If indebtedness is issued as a distribution,  
3 each payment of principal or interest on the indebtedness is  
4 treated as a distribution, the effect of which is measured on  
5 the date the payment is made.

6 Section 509. LIABILITY FOR IMPROPER DISTRIBUTIONS.--

7 A. A general partner that consents to a  
8 distribution made in violation of Section 508 of the Uniform  
9 Limited Partnership Act (2001) is personally liable to the  
10 limited partnership for the amount of the distribution that  
11 exceeds the amount that could have been distributed without the  
12 violation if it is established that in consenting to the  
13 distribution, the general partner failed to comply with Section  
14 408 of the Uniform Limited Partnership Act (2001).

15 B. A partner or transferee that received a  
16 distribution knowing that the distribution to that partner or  
17 transferee was made in violation of Section 508 of the Uniform  
18 Limited Partnership Act (2001) is personally liable to the  
19 limited partnership but only to the extent that the  
20 distribution received by the partner or transferee exceeded the  
21 amount that could have been properly paid pursuant to Section  
22 508 of that act.

23 C. A general partner against which an action is  
24 commenced pursuant to Subsection A of this section may:

25 (1) implead in the action any other person

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1 that is liable pursuant to Subsection A of this section and  
2 compel contribution from the person; and

3 (2) implead in the action any person that  
4 received a distribution in violation of Subsection B of this  
5 section and compel contribution from the person in the amount  
6 the person received in violation of Subsection B of this  
7 section.

8 D. An action pursuant to this section is barred if  
9 it is not commenced within two years after the distribution.

10 ARTICLE 6

11 DISSOCIATION

12 Section 601. DISSOCIATION AS LIMITED PARTNER.--

13 A. A person does not have a right to dissociate as  
14 a limited partner before the termination of the limited  
15 partnership.

16 B. A person is dissociated from a limited  
17 partnership as a limited partner upon the occurrence of any of  
18 the following events:

19 (1) the limited partnership's having notice of  
20 the person's express will to withdraw as a limited partner or  
21 on a later date specified by the person;

22 (2) an event agreed to in the partnership  
23 agreement as causing the person's dissociation as a limited  
24 partner;

25 (3) the person's expulsion as a limited

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1 partner pursuant to the partnership agreement;

2 (4) the person's expulsion as a limited  
3 partner by the unanimous consent of the other partners if:

4 (a) it is unlawful to carry on the  
5 limited partnership's activities with the person as a limited  
6 partner;

7 (b) there has been a transfer of all of  
8 the person's transferable interest in the limited partnership,  
9 other than a transfer for security purposes, or a court order  
10 charging the person's interest, which has not been foreclosed;

11 (c) the person is a corporation and,  
12 within ninety days after the limited partnership notifies the  
13 person that it will be expelled as a limited partner because it  
14 has filed a certificate of dissolution or the equivalent, its  
15 charter has been revoked, or its right to conduct business has  
16 been suspended by the jurisdiction of its incorporation, there  
17 is no revocation of the certificate of dissolution or no  
18 reinstatement of its charter or its right to conduct business;  
19 or

20 (d) the person is a limited liability  
21 company or partnership that has been dissolved and whose  
22 business is being wound up;

23 (5) on application by the limited partnership,  
24 the person's expulsion as a limited partner by judicial order  
25 because:

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1 (a) the person engaged in wrongful  
2 conduct that adversely and materially affected the limited  
3 partnership's activities;

4 (b) the person willfully or persistently  
5 committed a material breach of the partnership agreement or of  
6 the obligation of good faith and fair dealing pursuant to  
7 Subsection B of Section 305 of the Uniform Limited Partnership  
8 Act (2001); or

9 (c) the person engaged in conduct  
10 relating to the limited partnership's activities that makes it  
11 not reasonably practicable to carry on the activities with the  
12 person as limited partner;

13 (6) in the case of a person who is an  
14 individual, the person's death;

15 (7) in the case of a person that is a trust or  
16 is acting as a limited partner by virtue of being a trustee of  
17 a trust, distribution of the trust's entire transferable  
18 interest in the limited partnership, but not merely by reason  
19 of the substitution of a successor trustee;

20 (8) in the case of a person that is an estate  
21 or is acting as a limited partner by virtue of being a personal  
22 representative of an estate, distribution of the estate's  
23 entire transferable interest in the limited partnership, but  
24 not merely by reason of the substitution of a successor  
25 personal representative;

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1 (9) termination of a limited partner that is  
2 not an individual, partnership, limited liability company,  
3 corporation, trust or estate; or

4 (10) the limited partnership's participation  
5 in a conversion or merger pursuant to Article 11 of the  
6 Uniform Limited Partnership Act (2001), if the limited  
7 partnership:

8 (a) is not the converted or surviving  
9 entity; or

10 (b) is the converted or surviving entity  
11 but, as a result of the conversion or merger, the person ceases  
12 to be a limited partner.

13 Section 602. EFFECT OF DISSOCIATION AS LIMITED PARTNER.--

14 A. Upon a person's dissociation as a limited  
15 partner:

16 (1) subject to Section 704 of the Uniform  
17 Limited Partnership Act (2001), the person does not have  
18 further rights as a limited partner;

19 (2) the person's obligation of good faith and  
20 fair dealing as a limited partner pursuant to Subsection B of  
21 Section 305 of the Uniform Limited Partnership Act (2001)  
22 continues only as to matters arising and events occurring  
23 before the dissociation; and

24 (3) subject to Section 704 and Article 11 of  
25 the Uniform Limited Partnership Act (2001), any transferable

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1 interest owned by the person in the person's capacity as a  
2 limited partner immediately before dissociation is owned by the  
3 person as a mere transferee.

4 B. A person's dissociation as a limited partner  
5 does not of itself discharge the person from any obligation to  
6 the limited partnership or the other partners that the person  
7 incurred while a limited partner.

8 Section 603. DISSOCIATION AS GENERAL PARTNER.--A person  
9 is dissociated from a limited partnership as a general partner  
10 upon the occurrence of any of the following events:

11 A. the limited partnership's having notice of the  
12 person's express will to withdraw as a general partner or on a  
13 later date specified by the person;

14 B. an event agreed to in the partnership agreement  
15 as causing the person's dissociation as a general partner;

16 C. the person's expulsion as a general partner  
17 pursuant to the partnership agreement;

18 D. the person's expulsion as a general partner by  
19 the unanimous consent of the other partners if:

20 (1) it is unlawful to carry on the limited  
21 partnership's activities with the person as a general partner;

22 (2) there has been a transfer of all or  
23 substantially all of the person's transferable interest in the  
24 limited partnership, other than a transfer for security  
25 purposes, or a court order charging the person's interest,

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1 which has not been foreclosed;

2 (3) the person is a corporation and, within  
3 ninety days after the limited partnership notifies the person  
4 that it will be expelled as a general partner because it has  
5 filed a certificate of dissolution or the equivalent, its  
6 charter has been revoked, or its right to conduct business has  
7 been suspended by the jurisdiction of its incorporation, there  
8 is no revocation of the certificate of dissolution or no  
9 reinstatement of its charter or its right to conduct business;  
10 or

11 (4) the person is a limited liability company  
12 or partnership that has been dissolved and whose business is  
13 being wound up;

14 E. on application by the limited partnership, the  
15 person's expulsion as a general partner by judicial  
16 determination because:

17 (1) the person engaged in wrongful conduct  
18 that adversely and materially affected the limited partnership  
19 activities;

20 (2) the person willfully or persistently  
21 committed a material breach of the partnership agreement or of  
22 a duty owed to the partnership or the other partners pursuant  
23 to Section 408 of the Uniform Limited Partnership Act (2001);  
24 or

25 (3) the person engaged in conduct relating to

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1 the limited partnership's activities that makes it not  
2 reasonably practicable to carry on the activities of the  
3 limited partnership with the person as a general partner;

4 F. the person's:

5 (1) becoming a debtor in bankruptcy;  
6 (2) execution of an assignment for the benefit  
7 of creditors;

8 (3) seeking, consenting to or acquiescing in  
9 the appointment of a trustee, receiver or liquidator of the  
10 person or of all or substantially all of the person's property;  
11 or

12 (4) failure, within ninety days after the  
13 appointment, to have vacated or stayed the appointment of a  
14 trustee, receiver or liquidator of the general partner or of  
15 all or substantially all of the person's property obtained  
16 without the person's consent or acquiescence, or failing within  
17 ninety days after the expiration of a stay to have the  
18 appointment vacated;

19 G. in the case of a person who is an individual:

20 (1) the person's death;  
21 (2) the appointment of a guardian or general  
22 conservator for the person; or

23 (3) a judicial determination that the person  
24 has otherwise become incapable of performing the person's  
25 duties as a general partner pursuant to the partnership

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1 agreement;

2 H. in the case of a person that is a trust or is  
3 acting as a general partner by virtue of being a trustee of a  
4 trust, distribution of the trust's entire transferable interest  
5 in the limited partnership, but not merely by reason of the  
6 substitution of a successor trustee;

7 I. in the case of a person that is an estate or is  
8 acting as a general partner by virtue of being a personal  
9 representative of an estate, distribution of the estate's  
10 entire transferable interest in the limited partnership, but  
11 not merely by reason of the substitution of a successor  
12 personal representative;

13 J. termination of a general partner that is not an  
14 individual, partnership, limited liability company,  
15 corporation, trust or estate; or

16 K. the limited partnership's participation in a  
17 conversion or merger pursuant to Article 11 of the Uniform  
18 Limited Partnership Act (2001), if the limited partnership:

19 (1) is not the converted or surviving entity;

20 or

21 (2) is the converted or surviving entity but,  
22 as a result of the conversion or merger, the person ceases to  
23 be a general partner.

24 Section 604. PERSON'S POWER TO DISSOCIATE AS GENERAL  
25 PARTNER--WRONGFUL DISSOCIATION.--

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1           A. A person has the power to dissociate as a  
2 general partner at any time, rightfully or wrongfully, by  
3 express will pursuant to Subsection A of Section 603 of the  
4 Uniform Limited Partnership Act (2001).

5           B. A person's dissociation as a general partner is  
6 wrongful only if:

7                   (1) it is in breach of an express provision of  
8 the partnership agreement; or

9                   (2) it occurs before the termination of the  
10 limited partnership, and:

11                           (a) the person withdraws as a general  
12 partner by express will;

13                           (b) the person is expelled as a general  
14 partner by judicial determination pursuant to Subsection E of  
15 Section 603 of the Uniform Limited Partnership Act (2001);

16                           (c) the person is dissociated as a  
17 general partner by becoming a debtor in bankruptcy; or

18                           (d) in the case of a person that is not  
19 an individual, trust other than a business trust, or estate,  
20 the person is expelled or otherwise dissociated as a general  
21 partner because it willfully dissolved or terminated.

22           C. A person that wrongfully dissociates as a  
23 general partner is liable to the limited partnership and,  
24 subject to Section 1001 of the Uniform Limited Partnership Act  
25 (2001), to the other partners for damages caused by the

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1 dissociation. The liability is in addition to any other  
2 obligation of the general partner to the limited partnership or  
3 to the other partners.

4 Section 605. EFFECT OF DISSOCIATION AS GENERAL PARTNER.--

5 A. Upon a person's dissociation as a general  
6 partner:

7 (1) the person's right to participate as a  
8 general partner in the management and conduct of the  
9 partnership's activities terminates;

10 (2) the person's duty of loyalty as a general  
11 partner pursuant to Paragraph (3) of Subsection B of Section  
12 408 of the Uniform Limited Partnership Act (2001) terminates;

13 (3) the person's duty of loyalty as a general  
14 partner pursuant to Paragraphs (1) and (2) of Subsection B of  
15 Section 408 of the Uniform Limited Partnership Act (2001) and  
16 duty of care pursuant to Subsection C of Section 408 of the  
17 Uniform Limited Partnership Act (2001) continue only with  
18 regard to matters arising and events occurring before the  
19 person's dissociation as a general partner;

20 (4) the person may sign and deliver to the  
21 secretary of state for filing a statement of dissociation  
22 pertaining to the person and, at the request of the limited  
23 partnership, shall sign an amendment to the certificate of  
24 limited partnership that states that the person has  
25 dissociated; and

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1 (5) subject to Section 704 and Article 11 of  
2 the Uniform Limited Partnership Act (2001), any transferable  
3 interest owned by the person immediately before dissociation in  
4 the person's capacity as a general partner is owned by the  
5 person as a mere transferee.

6 B. A person's dissociation as a general partner  
7 does not of itself discharge the person from any obligation to  
8 the limited partnership or the other partners that the person  
9 incurred while a general partner.

10 Section 606. POWER TO BIND AND LIABILITY TO LIMITED  
11 PARTNERSHIP BEFORE DISSOLUTION OF PARTNERSHIP OF PERSON  
12 DISSOCIATED AS GENERAL PARTNER.--

13 A. After a person is dissociated as a general  
14 partner and before the limited partnership is dissolved,  
15 converted pursuant to Article 11 of the Uniform Limited  
16 Partnership Act (2001) or merged out of existence pursuant to  
17 Article 11 of that act, the limited partnership is bound by an  
18 act of the person only if:

19 (1) the act would have bound the limited  
20 partnership pursuant to Section 402 of the Uniform Limited  
21 Partnership Act (2001) before the dissociation; and

22 (2) at the time the other party enters into  
23 the transaction:

24 (a) less than two years has passed since  
25 the dissociation; and

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1 (b) the other party does not have notice  
2 of the dissociation and reasonably believes that the person is  
3 a general partner.

4 B. If a limited partnership is bound pursuant to  
5 Subsection A of this section, the person dissociated as a  
6 general partner that caused the limited partnership to be bound  
7 is liable:

8 (1) to the limited partnership for any damage  
9 caused to the limited partnership arising from the obligation  
10 incurred pursuant to Subsection A of this section; and

11 (2) if a general partner or another person  
12 dissociated as a general partner is liable for the obligation,  
13 to the general partner or other person for any damage caused to  
14 the general partner or other person arising from the liability.

15 Section 607. LIABILITY TO OTHER PERSONS OF PERSON  
16 DISSOCIATED AS GENERAL PARTNER.--

17 A. A person's dissociation as a general partner  
18 does not of itself discharge the person's liability as a  
19 general partner for an obligation of the limited partnership  
20 incurred before dissociation. Except as otherwise provided in  
21 Subsections B and C of this section, the person is not liable  
22 for a limited partnership's obligation incurred after  
23 dissociation.

24 B. A person whose dissociation as a general partner  
25 resulted in a dissolution and winding up of the limited

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1 partnership's activities is liable to the same extent as a  
2 general partner pursuant to Section 404 of the Uniform Limited  
3 Partnership Act (2001) on an obligation incurred by the limited  
4 partnership pursuant to Section 804 of the Uniform Limited  
5 Partnership Act (2001).

6 C. A person that has dissociated as a general  
7 partner but whose dissociation did not result in a dissolution  
8 and winding up of the limited partnership's activities is  
9 liable on a transaction entered into by the limited partnership  
10 after the dissociation only if:

11 (1) a general partner would be liable on the  
12 transaction; and

13 (2) at the time the other party enters into  
14 the transaction:

15 (a) less than two years has passed since  
16 the dissociation; and

17 (b) the other party does not have notice  
18 of the dissociation and reasonably believes that the person is  
19 a general partner.

20 D. By agreement with a creditor of a limited  
21 partnership and the limited partnership, a person dissociated  
22 as a general partner may be released from liability for an  
23 obligation of the limited partnership.

24 E. A person dissociated as a general partner is  
25 released from liability for an obligation of the limited

1 partnership if the limited partnership's creditor, with notice  
2 of the person's dissociation as a general partner but without  
3 the person's consent, agrees to a material alteration in the  
4 nature or time of payment of the obligation.

5 ARTICLE 7

6 TRANSFERABLE INTERESTS AND RIGHTS

7 OF TRANSFEREES AND CREDITORS

8 Section 701. PARTNER'S TRANSFERABLE INTEREST.--The only  
9 interest of a partner that is transferable is the partner's  
10 transferable interest. A transferable interest is personal  
11 property.

12 Section 702. TRANSFER OF PARTNER'S TRANSFERABLE  
13 INTEREST.--

14 A. A transfer, in whole or in part, of a partner's  
15 transferable interest:

16 (1) is permissible;

17 (2) does not by itself cause the partner's  
18 dissociation or a dissolution and winding up of the limited  
19 partnership's activities; and

20 (3) does not, as against the other partners or  
21 the limited partnership, entitle the transferee to participate  
22 in the management or conduct of the limited partnership's  
23 activities, to require access to information concerning the  
24 limited partnership's transactions, except as otherwise  
25 provided in Subsection C of this section, or to inspect or copy

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1 the required information or the limited partnership's other  
2 records.

3 B. A transferee has a right to receive, in  
4 accordance with the transfer:

5 (1) distributions to which the transferor  
6 would otherwise be entitled; and

7 (2) upon the dissolution and winding up of the  
8 limited partnership's activities, the net amount otherwise  
9 distributable to the transferor.

10 C. In a dissolution and winding up, a transferee is  
11 entitled to an account of the limited partnership's  
12 transactions only from the date of dissolution.

13 D. Upon transfer, the transferor retains the rights  
14 of a partner other than the interest in distributions  
15 transferred and retains all duties and obligations of a  
16 partner.

17 E. A limited partnership need not give effect to a  
18 transferee's rights pursuant to this section until the limited  
19 partnership has notice of the transfer.

20 F. A transfer of a partner's transferable interest  
21 in the limited partnership in violation of a restriction on  
22 transfer contained in the partnership agreement is ineffective  
23 as to a person having notice of the restriction at the time of  
24 transfer.

25 G. A transferee that becomes a partner with respect

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1 to a transferable interest is liable for the transferor's  
2 obligations pursuant to Sections 502 and 509 of the Uniform  
3 Limited Partnership Act (2001). However, the transferee is not  
4 obligated for liabilities unknown to the transferee at the time  
5 the transferee became a partner.

6 Section 703. RIGHTS OF CREDITOR OF PARTNER OR  
7 TRANSFEREE.--

8 A. On application to a court of competent  
9 jurisdiction by any judgment creditor of a partner or  
10 transferee, the court may charge the transferable interest of  
11 the judgment debtor with payment of the unsatisfied amount of  
12 the judgment with interest. To the extent so charged, the  
13 judgment creditor has only the rights of a transferee. The  
14 court may appoint a receiver of the share of the distributions  
15 due or to become due to the judgment debtor in respect of the  
16 partnership and make all other orders, directions, accounts and  
17 inquiries the judgment debtor might have made or that the  
18 circumstances of the case may require to give effect to the  
19 charging order.

20 B. A charging order constitutes a lien on the  
21 judgment debtor's transferable interest. The court may order a  
22 foreclosure upon the interest subject to the charging order at  
23 any time. The purchaser at the foreclosure sale has the rights  
24 of a transferee.

25 C. At any time before foreclosure, an interest

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1 charged may be redeemed:

2 (1) by the judgment debtor;

3 (2) with property other than limited  
4 partnership property, by one or more of the other partners; or

5 (3) with limited partnership property, by the  
6 limited partnership with the consent of all partners whose  
7 interests are not so charged.

8 D. The Uniform Limited Partnership Act (2001) does  
9 not deprive any partner or transferee of the benefit of any  
10 exemption laws applicable to the partner's or transferee's  
11 transferable interest.

12 E. This section provides the exclusive remedy by  
13 which a judgment creditor of a partner or transferee may  
14 satisfy a judgment out of the judgment debtor's transferable  
15 interest.

16 Section 704. POWER OF ESTATE OF DECEASED PARTNER.--If a  
17 partner dies, the deceased partner's personal representative or  
18 other legal representative may exercise the rights of a  
19 transferee as provided in Section 702 of the Uniform Limited  
20 Partnership Act (2001) and, for the purposes of settling the  
21 estate, may exercise the rights of a current limited partner  
22 pursuant to Section 304 of the Uniform Limited Partnership Act  
23 (2001).

24 ARTICLE 8

25 DISSOLUTION

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1           Section 801. NONJUDICIAL DISSOLUTION.--Except as  
2 otherwise provided in Section 802 of the Uniform Limited  
3 Partnership Act (2001), a limited partnership is dissolved, and  
4 its activities must be wound up, only upon the occurrence of  
5 any of the following:

6           A. the happening of an event specified in the  
7 partnership agreement;

8           B. the consent of all general partners and of  
9 limited partners owning a majority of the rights to receive  
10 distributions as limited partners at the time the consent is to  
11 be effective;

12           C. after the dissociation of a person as a general  
13 partner:

14                   (1) if the limited partnership has at least  
15 one remaining general partner, the consent to dissolve the  
16 limited partnership given within ninety days after the  
17 dissociation by partners owning a majority of the rights to  
18 receive distributions as partners at the time the consent is to  
19 be effective; or

20                   (2) if the limited partnership does not have a  
21 remaining general partner, the passage of ninety days after the  
22 dissociation, unless before the end of the period:

23                           (a) consent to continue the activities  
24 of the limited partnership and admit at least one general  
25 partner is given by limited partners owning a majority of the

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1 rights to receive distributions as limited partners at the time  
2 the consent is to be effective; and

3 (b) at least one person is admitted as a  
4 general partner in accordance with the consent; or

5 D. the passage of ninety days after the  
6 dissociation of the limited partnership's last limited partner,  
7 unless before the end of the period the limited partnership  
8 admits at least one limited partner.

9 Section 802. JUDICIAL DISSOLUTION.--On application by a  
10 partner, the district court may order dissolution of a limited  
11 partnership if it is not reasonably practicable to carry on the  
12 activities of the limited partnership in conformity with the  
13 partnership agreement.

14 Section 803. WINDING UP.--

15 A. A limited partnership continues after  
16 dissolution only for the purpose of winding up its activities.

17 B. In winding up its activities, the limited  
18 partnership:

19 (1) may amend its certificate of limited  
20 partnership to state that the limited partnership is dissolved,  
21 preserve the limited partnership business or property as a  
22 going concern for a reasonable time, prosecute and defend  
23 actions and proceedings, whether civil, criminal or  
24 administrative, transfer the limited partnership's property,  
25 settle disputes by mediation or arbitration, file a statement

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1 of termination as provided in Section 203 of the Uniform  
2 Limited Partnership Act (2001) and perform other necessary  
3 acts; and

4 (2) shall discharge the limited partnership's  
5 liabilities, settle and close the limited partnership's  
6 activities and marshal and distribute the assets of the  
7 partnership.

8 C. If a dissolved limited partnership does not have  
9 a general partner, a person to wind up the dissolved limited  
10 partnership's activities may be appointed by the consent of  
11 limited partners owning a majority of the rights to receive  
12 distributions as limited partners at the time the consent is to  
13 be effective. A person appointed pursuant to this subsection:

14 (1) has the powers of a general partner  
15 pursuant to Section 804 of the Uniform Limited Partnership Act  
16 (2001); and

17 (2) shall promptly amend the certificate of  
18 limited partnership to state:

19 (a) that the limited partnership does  
20 not have a general partner;

21 (b) the name of the person that has been  
22 appointed to wind up the limited partnership; and

23 (c) the street and mailing address of  
24 the person.

25 D. On the application of any partner, the district

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1 court may order judicial supervision of the winding up,  
2 including the appointment of a person to wind up the dissolved  
3 limited partnership's activities, if:

4 (1) a limited partnership does not have a  
5 general partner and within a reasonable time following the  
6 dissolution no person has been appointed pursuant to Subsection  
7 C of this section; or

8 (2) the applicant establishes other good  
9 cause.

10 Section 804. POWER OF GENERAL PARTNER AND PERSON  
11 DISSOCIATED AS GENERAL PARTNER TO BIND PARTNERSHIP AFTER  
12 DISSOLUTION.--

13 A. A limited partnership is bound by a general  
14 partner's act after dissolution that:

15 (1) is appropriate for winding up the limited  
16 partnership's activities; or

17 (2) would have bound the limited partnership  
18 pursuant to Section 402 of the Uniform Limited Partnership Act  
19 (2001) before dissolution, if, at the time the other party  
20 enters into the transaction, the other party does not have  
21 notice of the dissolution.

22 B. A person dissociated as a general partner binds  
23 a limited partnership through an act occurring after  
24 dissolution if:

25 (1) at the time the other party enters into

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1 the transaction:

2 (a) less than two years has passed since  
3 the dissociation; and

4 (b) the other party does not have notice  
5 of the dissociation and reasonably believes that the person is  
6 a general partner; and

7 (2) the act:

8 (a) is appropriate for winding up the  
9 limited partnership's activities; or

10 (b) would have bound the limited  
11 partnership pursuant to Section 402 of the Uniform Limited  
12 Partnership Act (2001) before dissolution and at the time the  
13 other party enters into the transaction the other party does  
14 not have notice of the dissolution.

15 Section 805. LIABILITY AFTER DISSOLUTION OF GENERAL  
16 PARTNER AND PERSON DISSOCIATED AS GENERAL PARTNER TO LIMITED  
17 PARTNERSHIP, OTHER GENERAL PARTNERS AND PERSONS DISSOCIATED AS  
18 GENERAL PARTNER.--

19 A. If a general partner having knowledge of the  
20 dissolution causes a limited partnership to incur an obligation  
21 pursuant to Subsection A of Section 804 of the Uniform Limited  
22 Partnership Act (2001) by an act that is not appropriate for  
23 winding up the partnership's activities, the general partner is  
24 liable:

25 (1) to the limited partnership for any damage

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1 caused to the limited partnership arising from the obligation;  
2 and

3 (2) if another general partner or a person  
4 dissociated as a general partner is liable for the obligation,  
5 to that other general partner or person for any damage caused  
6 to that other general partner or person arising from the  
7 liability.

8 B. If a person dissociated as a general partner  
9 causes a limited partnership to incur an obligation pursuant to  
10 Subsection B of Section 804 of the Uniform Limited Partnership  
11 Act (2001), the person is liable:

12 (1) to the limited partnership for any damage  
13 caused to the limited partnership arising from the obligation;  
14 and

15 (2) if a general partner or another person  
16 dissociated as a general partner is liable for the obligation,  
17 to the general partner or other person for any damage caused to  
18 the general partner or other person arising from the liability.

19 Section 806. KNOWN CLAIMS AGAINST DISSOLVED LIMITED  
20 PARTNERSHIP.--

21 A. A dissolved limited partnership may dispose of  
22 the known claims against it by following the procedure  
23 described in Subsection B of this section.

24 B. A dissolved limited partnership may notify its  
25 known claimants of the dissolution in a record. The notice

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1 must:

2 (1) specify the information required to be  
3 included in a claim;

4 (2) provide a mailing address to which the  
5 claim is to be sent;

6 (3) state the deadline for receipt of the  
7 claim, which may not be less than one hundred twenty days after  
8 the date the notice is received by the claimant;

9 (4) state that the claim will be barred if not  
10 received by the deadline; and

11 (5) unless the limited partnership has been  
12 throughout its existence a limited liability limited  
13 partnership, state that the barring of a claim against the  
14 limited partnership will also bar any corresponding claim  
15 against any general partner or person dissociated as a general  
16 partner that is based on Section 404 of the Uniform Limited  
17 Partnership Act (2001).

18 C. A claim against a dissolved limited partnership  
19 is barred if the requirements of Subsection B of this section  
20 are met and:

21 (1) the claim is not received by the specified  
22 deadline; or

23 (2) in the case of a claim that is timely  
24 received but rejected by the dissolved limited partnership, the  
25 claimant does not commence an action to enforce the claim

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1 against the limited partnership within ninety days after the  
2 receipt of the notice of the rejection.

3 D. This section does not apply to a claim based on  
4 an event occurring after the effective date of dissolution or a  
5 liability that is contingent on that date.

6 Section 807. OTHER CLAIMS AGAINST DISSOLVED LIMITED  
7 PARTNERSHIP.--

8 A. A dissolved limited partnership may publish  
9 notice of its dissolution and request persons having claims  
10 against the limited partnership to present them in accordance  
11 with the notice.

12 B. The notice must:

13 (1) be published at least once in a newspaper  
14 of general circulation in the county in which the dissolved  
15 limited partnership's principal office is located or, if it has  
16 none in this state, in the county in which the limited  
17 partnership's designated office is or was last located;

18 (2) describe the information required to be  
19 contained in a claim and provide a mailing address to which the  
20 claim is to be sent;

21 (3) state that a claim against the limited  
22 partnership is barred unless an action to enforce the claim is  
23 commenced within five years after publication of the notice;  
24 and

25 (4) unless the limited partnership has been

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1 throughout its existence a limited liability limited  
2 partnership, state that the barring of a claim against the  
3 limited partnership will also bar any corresponding claim  
4 against any general partner or person dissociated as a general  
5 partner that is based on Section 404 of the Uniform Limited  
6 Partnership Act (2001).

7 C. If a dissolved limited partnership publishes a  
8 notice in accordance with Subsection B of this section, the  
9 claim of each of the following claimants is barred unless the  
10 claimant commences an action to enforce the claim against the  
11 dissolved limited partnership within five years after the  
12 publication date of the notice:

13 (1) a claimant that did not receive notice in  
14 a record pursuant to Section 806 of the Uniform Limited  
15 Partnership Act (2001);

16 (2) a claimant whose claim was timely sent to  
17 the dissolved limited partnership but not acted on; and

18 (3) a claimant whose claim is contingent or  
19 based on an event occurring after the effective date of  
20 dissolution.

21 D. A claim not barred pursuant to this section may  
22 be enforced:

23 (1) against the dissolved limited partnership,  
24 to the extent of its undistributed assets;

25 (2) if the assets have been distributed in

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1 liquidation, against a partner or transferee to the extent of  
2 that person's proportionate share of the claim or the limited  
3 partnership's assets distributed to the partner or transferee  
4 in liquidation, whichever is less, but a person's total  
5 liability for all claims pursuant to this paragraph does not  
6 exceed the total amount of assets distributed to the person as  
7 part of the winding up of the dissolved limited partnership; or

8 (3) against any person liable on the claim  
9 pursuant to Section 404 of the Uniform Limited Partnership Act  
10 (2001).

11 Section 808. LIABILITY OF GENERAL PARTNER AND PERSON  
12 DISSOCIATED AS GENERAL PARTNER WHEN CLAIM AGAINST LIMITED  
13 PARTNERSHIP BARRED.--If a claim against a dissolved limited  
14 partnership is barred pursuant to Section 806 or 807 of the  
15 Uniform Limited Partnership Act (2001), any corresponding claim  
16 pursuant to Section 404 of the Uniform Limited Partnership Act  
17 (2001) is also barred.

18 Section 809. DISPOSITION OF ASSETS--WHEN CONTRIBUTIONS  
19 REQUIRED.--

20 A. In winding up a limited partnership's  
21 activities, the assets of the limited partnership, including  
22 the contributions required by this section, must be applied to  
23 satisfy the limited partnership's obligations to creditors,  
24 including, to the extent permitted by law, partners that are  
25 creditors.

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1           B. Any surplus remaining after the limited  
2 partnership complies with Subsection A of this section must be  
3 paid in cash as a distribution.

4           C. If a limited partnership's assets are  
5 insufficient to satisfy all of its obligations pursuant to  
6 Subsection A of this section, with respect to each unsatisfied  
7 obligation incurred when the limited partnership was not a  
8 limited liability limited partnership, the following rules  
9 apply:

10                   (1) each person that was a general partner  
11 when the obligation was incurred and that has not been released  
12 from the obligation pursuant to Section 607 of the Uniform  
13 Limited Partnership Act (2001) shall contribute to the limited  
14 partnership for the purpose of enabling the limited partnership  
15 to satisfy the obligation. The contribution due from each of  
16 those persons is in proportion to the right to receive  
17 distributions in the capacity of general partner in effect for  
18 each of those persons when the obligation was incurred;

19                   (2) if a person does not contribute the full  
20 amount required pursuant to Paragraph (1) of this subsection  
21 with respect to an unsatisfied obligation of the limited  
22 partnership, the other persons required to contribute by  
23 Paragraph (1) of this subsection on account of the obligation  
24 shall contribute the additional amount necessary to discharge  
25 the obligation. The additional contribution due from each of

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1 those other persons is in proportion to the right to receive  
2 distributions in the capacity of general partner in effect for  
3 each of those other persons when the obligation was incurred;  
4 and

5 (3) if a person does not make the additional  
6 contribution required by Paragraph (2) of this subsection,  
7 further additional contributions are determined and due in the  
8 same manner as provided in that paragraph.

9 D. A person that makes an additional contribution  
10 pursuant to Paragraph (2) or (3) of Subsection C of this  
11 section may recover from any person whose failure to contribute  
12 pursuant to Paragraph (1) or (2) of Subsection C of this  
13 section necessitated the additional contribution. A person may  
14 not recover pursuant to this subsection more than the amount  
15 additionally contributed. A person's liability pursuant to  
16 this subsection may not exceed the amount the person failed to  
17 contribute.

18 E. The estate of a deceased individual is liable  
19 for the person's obligations pursuant to this section.

20 F. An assignee for the benefit of creditors of a  
21 limited partnership or a partner, or a person appointed by a  
22 court to represent creditors of a limited partnership or a  
23 partner, may enforce a person's obligation to contribute  
24 pursuant to Subsection C of this section.

25 ARTICLE 9

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1 FOREIGN LIMITED PARTNERSHIPS

2 Section 901. GOVERNING LAW.--

3 A. The laws of the state or other jurisdiction  
4 under which a foreign limited partnership is organized govern  
5 relations between the partners of the foreign limited  
6 partnership and between the partners and the foreign limited  
7 partnership and the liability of partners as partners for an  
8 obligation of the foreign limited partnership.

9 B. A foreign limited partnership may not be denied  
10 a certificate of authority by reason of any difference between  
11 the laws of the jurisdiction under which the foreign limited  
12 partnership is organized and the laws of this state.

13 C. A certificate of authority does not authorize a  
14 foreign limited partnership to engage in any business or  
15 exercise any power that a limited partnership may not engage in  
16 or exercise in this state.

17 Section 902. APPLICATION FOR CERTIFICATE OF AUTHORITY.--

18 A. A foreign limited partnership may apply for a  
19 certificate of authority to transact business in this state by  
20 delivering an application to the secretary of state for filing.  
21 The application must state:

22 (1) the name of the foreign limited  
23 partnership and, if the name does not comply with Section 108  
24 of the Uniform Limited Partnership Act (2001), an alternate  
25 name adopted pursuant to Subsection A of Section 905 of the

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1 Uniform Limited Partnership Act (2001);

2 (2) the name of the state or other  
3 jurisdiction under whose law the foreign limited partnership is  
4 organized;

5 (3) any identification number issued to the  
6 foreign limited partnership by the foreign official; "foreign  
7 official" means the secretary of state or other official having  
8 custody of the foreign limited partnership's publicly filed  
9 records in the state or other jurisdiction under whose law the  
10 foreign limited partnership is organized;

11 (4) the street and mailing address of the  
12 foreign limited partnership's principal office and, if the laws  
13 of the jurisdiction under which the foreign limited partnership  
14 is organized require the foreign limited partnership to  
15 maintain an office in that jurisdiction, the street and mailing  
16 address of the required office;

17 (5) the name and street and mailing address of  
18 the foreign limited partnership's initial agent for service of  
19 process in this state;

20 (6) the name and street and mailing address of  
21 each of the foreign limited partnership's general partners; and

22 (7) whether the foreign limited partnership is  
23 a foreign limited liability limited partnership.

24 B. A foreign limited partnership shall deliver with  
25 the completed application:

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1 (1) a certificate of existence or a record of  
2 similar import signed by the foreign official; and

3 (2) if the foreign official is located outside  
4 of the United States of America, a certified copy of the  
5 limited partnership certificate or a record of similar import  
6 showing that it was filed with the foreign official.

7 C. A certificate or a certified copy described in  
8 Subsection B of this section is a part of the application for  
9 all purposes. It shall be revised or corrected as required by  
10 Section 906 of the Uniform Limited Partnership Act (2001). If  
11 it does not use the English language and Arabic numbers, it  
12 shall be accompanied by a certified translation. A  
13 certification or a certification of a copy or a translation  
14 shall be dated within thirty days of its presentation to the  
15 secretary of state for filing. A certificate shall state the  
16 information listed in Subsection A of Section 209 of the  
17 Uniform Limited Partnership Act (2001) or information of  
18 similar import.

19 Section 903. ACTIVITIES NOT CONSTITUTING TRANSACTING  
20 BUSINESS.--

21 A. Activities of a foreign limited partnership that  
22 do not constitute transacting business in this state within the  
23 meaning of this article include:

24 (1) maintaining, defending and settling an  
25 action or proceeding;

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1 (2) holding meetings of its partners or  
2 carrying on any other activity concerning its internal affairs;

3 (3) maintaining accounts in financial  
4 institutions;

5 (4) maintaining offices or agencies for the  
6 transfer, exchange and registration of the foreign limited  
7 partnership's own securities or maintaining trustees or  
8 depositories with respect to those securities;

9 (5) selling through independent contractors;

10 (6) soliciting or obtaining orders, whether by  
11 mail or electronic means or through employees or agents or  
12 otherwise, if the orders require acceptance outside this state  
13 before they become contracts;

14 (7) creating or acquiring indebtedness,  
15 mortgages or security interests in real or personal property;

16 (8) securing or collecting debts or enforcing  
17 mortgages or other security interests in property securing the  
18 debts and holding, protecting and maintaining property so  
19 acquired;

20 (9) investing in or acquiring, in transactions  
21 outside New Mexico, royalties and other nonoperating mineral  
22 interests; and executing division orders, contracts of sale and  
23 other instruments incidental to the ownership of such  
24 nonoperating mineral interests;

25 (10) conducting an isolated transaction that

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1 is completed within thirty days and is not one in the course of  
2 similar transactions of a like manner; and

3 (11) transacting business in interstate  
4 commerce.

5 B. For purposes of this article, the ownership in  
6 this state of income-producing real property or tangible  
7 personal property, other than property excluded pursuant to  
8 Subsection A of this section, constitutes transacting business  
9 in this state.

10 C. This section does not apply in determining the  
11 contacts or activities that may subject a foreign limited  
12 partnership to service of process, taxation or regulation  
13 pursuant to any other law of this state.

14 Section 904. FILING OF CERTIFICATE OF AUTHORITY.--Unless  
15 the secretary of state determines that an application for a  
16 certificate of authority or a revised application for a  
17 certificate of authority does not comply with the filing  
18 requirements of the Uniform Limited Partnership Act (2001), the  
19 secretary of state, upon payment of all filing fees, shall file  
20 the application, prepare, sign and file a certificate of  
21 authority to transact business in this state or restated  
22 certificate of authority in the case of a revised application,  
23 and send a copy of the filed certificate, together with a  
24 receipt for the fees, to the foreign limited partnership or its  
25 representative.

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1           Section 905. NONCOMPLYING NAME OF FOREIGN LIMITED  
2 PARTNERSHIP.--

3           A. A foreign limited partnership whose name does  
4 not comply with Section 108 of the Uniform Limited Partnership  
5 Act (2001) may not obtain a certificate of authority until it  
6 adopts, for the purpose of transacting business in this state,  
7 an alternate name that complies with Section 108 of that act.  
8 After obtaining a certificate of authority with an alternate  
9 name, a foreign limited partnership shall transact business in  
10 this state under the name.

11           B. If a foreign limited partnership authorized to  
12 transact business in this state changes its name to one that  
13 does not comply with Section 108 of the Uniform Limited  
14 Partnership Act (2001), it may not thereafter transact business  
15 in this state until it complies with Subsection A of this  
16 section and obtains an amended certificate of authority.

17           Section 906. CHANGES OR ERRORS IN APPLICATION FOR  
18 CERTIFICATE OF AUTHORITY.--

19           A. A foreign limited partnership shall deliver to  
20 the secretary of state for filing:

21                   (1) a revised application for a certificate of  
22 authority to reflect any change in the information contained in  
23 an application for certificate of authority; or

24                   (2) a statement of correction pursuant to  
25 Section 207 of the Uniform Limited Partnership Act (2001) for

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1 the correction of any information that was false or incorrect  
2 or of any defective signature on the application. The revised  
3 application for a certificate of authority or statement of  
4 correction shall be delivered to the secretary of state  
5 promptly after the foreign limited partnership has notice of  
6 the change, the false or incorrect information or the defective  
7 signature.

8 B. The revised application for certificate of  
9 authority shall state:

10 (1) the name of the foreign limited  
11 partnership;

12 (2) the date of filing of its initial  
13 application for a certificate;

14 (3) any identification number assigned by the  
15 secretary of state to the foreign limited partnership or the  
16 initial application, or both; and

17 (4) the information required in Section 902 of  
18 the Uniform Limited Partnership Act (2001) for an application  
19 for a certificate of authority.

20 C. A general partner that knows that any  
21 information in a filed application for certificate of authority  
22 was false when filed or has become false due to changed  
23 circumstances shall promptly:

24 (1) cause a revised application to be filed;  
25 or

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1 (2) if appropriate, deliver to the secretary  
2 of state for filing a statement of correction pursuant to  
3 Section 207 of the Uniform Limited Partnership Act (2001).

4 Section 907. CANCELLATION OF CERTIFICATE OF AUTHORITY--  
5 EFFECT OF FAILURE TO HAVE CERTIFICATE.--

6 A. In order to cancel its certificate of authority  
7 to transact business in this state, a foreign limited  
8 partnership must deliver to the secretary of state for filing a  
9 notice of cancellation. The certificate is canceled when the  
10 notice becomes effective pursuant to Section 206 of the  
11 Uniform Limited Partnership Act (2001).

12 B. A foreign limited partnership transacting  
13 business in this state may not maintain an action or proceeding  
14 in this state unless it has a certificate of authority to  
15 transact business in this state.

16 C. The failure of a foreign limited partnership to  
17 have a certificate of authority to transact business in this  
18 state does not impair the validity of a contract or act of the  
19 foreign limited partnership or prevent the foreign limited  
20 partnership from defending an action or proceeding in this  
21 state.

22 D. A partner of a foreign limited partnership is  
23 not liable for the obligations of the foreign limited  
24 partnership solely by reason of the foreign limited  
25 partnership's having transacted business in this state without

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1 a certificate of authority.

2 E. If a foreign limited partnership transacts  
3 business in this state without a certificate of authority,  
4 cancels its certificate of authority or fails to appoint and  
5 maintain an agent for service of process as required by  
6 Subsection B of Section 114 of the Uniform Limited Partnership  
7 Act (2001), it appoints the secretary of state as its agent for  
8 service of process for rights of action arising out of the  
9 transaction of business in this state.

10 Section 908. ACTION BY ATTORNEY GENERAL.--The attorney  
11 general may maintain an action to restrain a foreign limited  
12 partnership from transacting business in this state in  
13 violation of this article.

14 ARTICLE 10

15 ACTIONS BY PARTNERS

16 Section 1001. DIRECT ACTION BY PARTNER.--

17 A. Subject to Subsection B of this section, a  
18 partner may maintain a direct action against the limited  
19 partnership or another partner for legal or equitable relief,  
20 with or without an accounting as to the partnership's  
21 activities, to enforce the rights and otherwise protect the  
22 interests of the partner, including rights and interests  
23 pursuant to the partnership agreement or the Uniform Limited  
24 Partnership Act (2001), or arising independently of the  
25 partnership relationship.

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1           B. A partner commencing a direct action pursuant to  
2 this section is required to plead and prove an actual or  
3 threatened injury that is not solely the result of an injury  
4 suffered or threatened to be suffered by the limited  
5 partnership.

6           C. The accrual of, and any time limitation on, a  
7 right of action for a remedy pursuant to this section is  
8 governed by other law. A right to an accounting upon a  
9 dissolution and winding up does not revive a claim barred by  
10 law.

11           Section 1002. DERIVATIVE ACTION.--A partner may maintain  
12 a derivative action to enforce a right of a limited partnership  
13 if:

14           A. the partner first makes a demand on the general  
15 partners, requesting that they cause the limited partnership to  
16 bring an action to enforce the right, and the general partners  
17 do not bring the action within a reasonable time; or

18           B. a demand would be futile.

19           Section 1003. PROPER PLAINTIFF.--A derivative action may  
20 be maintained only by a person that is a partner at the time  
21 the action is commenced and:

22           A. that was a partner when the conduct giving rise  
23 to the action occurred; or

24           B. whose status as a partner devolved upon the  
25 person by operation of law or pursuant to the terms of the

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1 partnership agreement from a person that was a partner at the  
2 time of the conduct.

3 Section 1004. PLEADING.--In a derivative action, the  
4 complaint must state with particularity:

5 A. the date and content of plaintiff's demand and  
6 the general partners' response to the demand; or

7 B. why demand should be excused as futile.

8 Section 1005. PROCEEDS AND EXPENSES.--

9 A. Except as otherwise provided in Subsection B of  
10 this section:

11 (1) any proceeds or other benefits of a  
12 derivative action, whether by judgment, compromise or  
13 settlement, belong to the limited partnership and not to the  
14 derivative plaintiff; and

15 (2) if the derivative plaintiff receives any  
16 proceeds, the derivative plaintiff shall immediately remit them  
17 to the limited partnership.

18 B. If a derivative action is successful in whole or  
19 in part, the court may award the plaintiff reasonable expenses,  
20 including reasonable attorney fees, from the recovery of the  
21 limited partnership.

22 ARTICLE 11

23 CONVERSION AND MERGER

24 Section 1101. DEFINITIONS.--As used in this article:

25 A. "constituent limited partnership" means a

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1 constituent organization that is a limited partnership;

2 B. "constituent organization" means an organization  
3 that is party to a merger;

4 C. "converted organization" means the organization  
5 into which a converting organization converts pursuant to  
6 Sections 1102 through 1105 of the Uniform Limited Partnership  
7 Act (2001);

8 D. "converting limited partnership" means a  
9 converting organization that is a limited partnership;

10 E. "converting organization" means an organization  
11 that converts into another organization pursuant to Section  
12 1102 of the Uniform Limited Partnership Act (2001);

13 F. "general partner" means a general partner of a  
14 limited partnership;

15 G. "governing statute" of an organization means the  
16 statute that governs the organization's internal affairs;

17 H. "organization" means a general partnership,  
18 including a limited liability partnership; limited partnership,  
19 including a limited liability limited partnership; limited  
20 liability company; business trust; corporation; or any other  
21 person having a governing statute. The term includes domestic  
22 and foreign organizations whether or not organized for profit;

23 I. "organizational documents" means:

24 (1) for a domestic or foreign general  
25 partnership, its partnership agreement;

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1 (2) for a limited partnership or foreign  
2 limited partnership, its certificate of limited partnership and  
3 partnership agreement;

4 (3) for a domestic or foreign limited  
5 liability company, its articles of organization and operating  
6 agreement, or comparable records as provided in its governing  
7 statute;

8 (4) for a business trust, its agreement of  
9 trust and declaration of trust;

10 (5) for a domestic or foreign corporation for  
11 profit, its articles of incorporation, bylaws and other  
12 agreements among its shareholders that are authorized by its  
13 governing statute, or comparable records as provided in its  
14 governing statute; and

15 (6) for any other organization, the basic  
16 records that create the organization and determine its internal  
17 governance and the relations between the persons that own it,  
18 have an interest in it or are members of it;

19 J. "personal liability" means personal liability  
20 for a debt, liability or other obligation of an organization  
21 that is imposed on a person that co-owns, has an interest in or  
22 is a member of the organization:

23 (1) by the organization's governing statute  
24 solely by reason of the person co-owning, having an interest  
25 in, or being a member of the organization; or

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1 (2) by the organization's organizational  
2 documents pursuant to a provision of the organization's  
3 governing statute authorizing those documents to make one or  
4 more specified persons liable for all or specified debts,  
5 liabilities and other obligations of the organization solely by  
6 reason of the person or persons co-owning, having an interest  
7 in or being a member of the organization; and

8 K. "surviving organization" means an organization  
9 into which one or more other organizations are merged. A  
10 surviving organization may preexist the merger or be created by  
11 the merger.

12 Section 1102. CONVERSION.--

13 A. An organization other than a limited partnership  
14 may convert to a limited partnership, and a limited partnership  
15 may convert to another organization pursuant to this section  
16 and Sections 1103 through 1105 of the Uniform Limited  
17 Partnership Act (2001) and a plan of conversion, if:

18 (1) the other organization's governing statute  
19 authorizes the conversion;

20 (2) the conversion is not prohibited by the  
21 law of the jurisdiction that enacted the governing statute; and

22 (3) the other organization complies with its  
23 governing statute in effecting the conversion.

24 B. A plan of conversion must be in a record and  
25 must include:

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1 (1) the name and form of the organization  
2 before conversion;

3 (2) the name and form of the organization  
4 after conversion;

5 (3) the terms and conditions of the  
6 conversion, including the manner and basis for converting  
7 interests in the converting organization into any combination  
8 of money, interests in the converted organization and other  
9 consideration; and

10 (4) the organizational documents of the  
11 converted organization.

12 Section 1103. ACTION ON PLAN OF CONVERSION BY CONVERTING  
13 LIMITED PARTNERSHIP.--

14 A. Subject to Section 1110 of the Uniform Limited  
15 Partnership Act (2001), a plan of conversion must be consented  
16 to by all the partners of a converting limited partnership.

17 B. Subject to Section 1110 of the Uniform Limited  
18 Partnership Act (2001) and any contractual rights, after a  
19 conversion is approved, and at any time before a filing is made  
20 pursuant to Section 1104 of the Uniform Limited Partnership Act  
21 (2001), a converting limited partnership may amend the plan or  
22 abandon the planned conversion:

23 (1) as provided in the plan; and

24 (2) except as prohibited by the plan, by the  
25 same consent as was required to approve the plan.

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1           Section 1104. FILINGS REQUIRED FOR CONVERSION--EFFECTIVE  
2 DATE.--

3           A. After a plan of conversion is approved:

4                   (1) a converting limited partnership shall  
5 deliver to the secretary of state for filing articles of  
6 conversion, which must include:

7                           (a) a statement that the limited  
8 partnership has been converted into another organization;

9                           (b) the name and form of the  
10 organization and the jurisdiction of its governing statute;

11                           (c) the date the conversion is effective  
12 pursuant to the governing statute of the converted  
13 organization;

14                           (d) a statement that the conversion was  
15 approved as required by the Uniform Limited Partnership Act  
16 (2001);

17                           (e) a statement that the conversion was  
18 approved as required by the governing statute of the converted  
19 organization; and

20                           (f) if the converted organization is a  
21 foreign organization not authorized to transact business in  
22 this state, the street and mailing address of an office that  
23 the secretary of state may use for the purposes of Subsection C  
24 of Section 1105 of the Uniform Limited Partnership Act (2001);  
25 and

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1 (2) if the converting organization is not a  
2 converting limited partnership, the converting organization  
3 shall deliver to the secretary of state for filing a  
4 certificate of limited partnership, which must include, in  
5 addition to the information required by Section 201 of the  
6 Uniform Limited Partnership Act (2001):

7 (a) a statement that the limited  
8 partnership was converted from another organization;

9 (b) the name and form of the  
10 organization and the jurisdiction of its governing statute; and

11 (c) a statement that the conversion was  
12 approved in a manner that complied with the organization's  
13 governing statute.

14 B. A conversion becomes effective:

15 (1) if the converted organization is a limited  
16 partnership, when the certificate of limited partnership takes  
17 effect; and

18 (2) if the converted organization is not a  
19 limited partnership, as provided by the governing statute of  
20 the converted organization.

21 Section 1105. EFFECT OF CONVERSION.--

22 A. An organization that has been converted pursuant  
23 to this article is for all purposes the same entity that  
24 existed before the conversion.

25 B. When a conversion takes effect:

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1 (1) all property owned by the converting  
2 organization remains vested in the converted organization;

3 (2) all debts, liabilities and other  
4 obligations of the converting organization continue as  
5 obligations of the converted organization;

6 (3) an action or proceeding pending by or  
7 against the converting organization may be continued as if the  
8 conversion had not occurred;

9 (4) except as prohibited by other law, all of  
10 the rights, privileges, immunities, powers and purposes of the  
11 converting organization remain vested in the converted  
12 organization;

13 (5) except as otherwise provided in the plan  
14 of conversion, the terms and conditions of the plan of  
15 conversion take effect; and

16 (6) except as otherwise agreed, the conversion  
17 does not dissolve a converting limited partnership for the  
18 purposes of Article 8 of the Uniform Limited Partnership Act  
19 (2001).

20 C. A converted organization that is a foreign  
21 organization consents to the jurisdiction of the courts of this  
22 state to enforce any obligation owed by the converting limited  
23 partnership, if before the conversion the converting limited  
24 partnership was subject to suit in this state on the  
25 obligation. A converted organization that is a foreign

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1 organization and not authorized to transact business in this  
2 state appoints the secretary of state as its agent for service  
3 of process for purposes of enforcing an obligation pursuant to  
4 this subsection. Service on the secretary of state pursuant to  
5 this subsection is made in the same manner and with the same  
6 consequences as in Subsections C and D of Section 117 of the  
7 Uniform Limited Partnership Act (2001).

8 Section 1106. MERGER.--

9 A. A limited partnership may merge with one or more  
10 other constituent organizations pursuant to this section and  
11 Sections 1107 through 1109 of the Uniform Limited Partnership  
12 Act (2001) and a plan of merger, if:

13 (1) the governing statute of each of the other  
14 organizations authorizes the merger;

15 (2) the merger is not prohibited by the law of  
16 a jurisdiction that enacted any of those governing statutes;  
17 and

18 (3) each of the other organizations complies  
19 with its governing statute in effecting the merger.

20 B. A plan of merger must be in a record and must  
21 include:

22 (1) the name and form of each constituent  
23 organization;

24 (2) the name and form of the surviving  
25 organization and, if the surviving organization is to be

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1 created by the merger, a statement to that effect;

2 (3) the terms and conditions of the merger,  
3 including the manner and basis for converting the interests in  
4 each constituent organization into any combination of money,  
5 interests in the surviving organization and other  
6 consideration;

7 (4) if the surviving organization is to be  
8 created by the merger, the surviving organization's  
9 organizational documents; and

10 (5) if the surviving organization is not to be  
11 created by the merger, any amendments to be made by the merger  
12 to the surviving organization's organizational documents.

13 Section 1107. ACTION ON PLAN OF MERGER BY CONSTITUENT  
14 LIMITED PARTNERSHIP.--

15 A. Subject to Section 1110 of the Uniform Limited  
16 Partnership Act (2001), a plan of merger must be consented to  
17 by all the partners of a constituent limited partnership.

18 B. Subject to Section 1110 of the Uniform Limited  
19 Partnership Act (2001) and any contractual rights, after a  
20 merger is approved, and at any time before a filing is made  
21 pursuant to Section 1108 of the Uniform Limited Partnership Act  
22 (2001), a constituent limited partnership may amend the plan or  
23 abandon the planned merger:

24 (1) as provided in the plan; and

25 (2) except as prohibited by the plan, with the

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1 same consent as was required to approve the plan.

2 Section 1108. FILINGS REQUIRED FOR MERGER--EFFECTIVE  
3 DATE.--

4 A. After each constituent organization has approved  
5 a merger, articles of merger must be signed on behalf of:

6 (1) each preexisting constituent limited  
7 partnership, by each general partner listed in the certificate  
8 of limited partnership; and

9 (2) each other preexisting constituent  
10 organization, by an authorized representative.

11 B. The articles of merger must include:

12 (1) the name and form of each constituent  
13 organization and the jurisdiction of its governing statute;

14 (2) the name and form of the surviving  
15 organization, the jurisdiction of its governing statute and, if  
16 the surviving organization is created by the merger, a  
17 statement to that effect;

18 (3) the date the merger is effective pursuant  
19 to the governing statute of the surviving organization;

20 (4) if the surviving organization is to be  
21 created by the merger:

22 (a) if it will be a limited partnership,  
23 the limited partnership's certificate of limited partnership;  
24 or

25 (b) if it will be an organization other

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1 than a limited partnership, the organizational document that  
2 creates the organization;

3 (5) if the surviving organization preexists  
4 the merger, any amendments provided for in the plan of merger  
5 for the organizational document that created the organization;

6 (6) a statement as to each constituent  
7 organization that the merger was approved as required by the  
8 organization's governing statute;

9 (7) if the surviving organization is a foreign  
10 organization not authorized to transact business in this state,  
11 the street and mailing address of an office that the secretary  
12 of state may use for the purposes of Subsection B of Section  
13 1109 of the Uniform Limited Partnership Act (2001); and

14 (8) any additional information required by the  
15 governing statute of any constituent organization.

16 C. Each constituent limited partnership shall  
17 deliver the articles of merger for filing in the office of the  
18 secretary of state.

19 D. A merger becomes effective pursuant to this  
20 article:

21 (1) if the surviving organization is a limited  
22 partnership, upon the later of:

23 (a) compliance with Subsection C of this  
24 section; or

25 (b) subject to Subsection C of Section

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1 206 of the Uniform Limited Partnership Act (2001), as specified  
2 in the articles of merger; or

3 (2) if the surviving organization is not a  
4 limited partnership, as provided by the governing statute of  
5 the surviving organization.

6 Section 1109. EFFECT OF MERGER.--

7 A. When a merger becomes effective:

8 (1) the surviving organization continues or  
9 comes into existence;

10 (2) each constituent organization that merges  
11 into the surviving organization ceases to exist as a separate  
12 entity;

13 (3) all property owned by each constituent  
14 organization that ceases to exist vests in the surviving  
15 organization;

16 (4) all debts, liabilities and other  
17 obligations of each constituent organization that ceases to  
18 exist continue as obligations of the surviving organization;

19 (5) an action or proceeding pending by or  
20 against any constituent organization that ceases to exist may  
21 be continued as if the merger had not occurred;

22 (6) except as prohibited by other law, all of  
23 the rights, privileges, immunities, powers and purposes of each  
24 constituent organization that ceases to exist vest in the  
25 surviving organization;

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1 (7) except as otherwise provided in the plan  
2 of merger, the terms and conditions of the plan of merger take  
3 effect;

4 (8) except as otherwise agreed, if a  
5 constituent limited partnership ceases to exist, the merger  
6 does not dissolve the limited partnership for the purposes of  
7 Article 8 of the Uniform Limited Partnership Act (2001);

8 (9) if the surviving organization is created  
9 by the merger:

10 (a) if it is a limited partnership, the  
11 certificate of limited partnership becomes effective; or

12 (b) if it is an organization other than  
13 a limited partnership, the organizational document that creates  
14 the organization becomes effective; and

15 (10) if the surviving organization preexists  
16 the merger, any amendments provided for in the articles of  
17 merger for the organizational document that created the  
18 organization become effective.

19 B. A surviving organization that is a foreign  
20 organization consents to the jurisdiction of the courts of this  
21 state to enforce any obligation owed by a constituent  
22 organization, if before the merger the constituent organization  
23 was subject to suit in this state on the obligation. A  
24 surviving organization that is a foreign organization and not  
25 authorized to transact business in this state appoints the

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1 secretary of state as its agent for service of process for the  
2 purposes of enforcing an obligation pursuant to this  
3 subsection. Service on the secretary of state pursuant to this  
4 subsection is made in the same manner and with the same  
5 consequences as in Subsections C and D of Section 117 of the  
6 Uniform Limited Partnership Act (2001).

7 Section 1110. RESTRICTIONS ON APPROVAL OF CONVERSIONS AND  
8 MERGERS.--

9 A. If a partner of a converting or constituent  
10 limited partnership will have personal liability with respect  
11 to a converted or surviving organization, approval and  
12 amendment of a plan of conversion or merger are ineffective  
13 without the consent of the partner, unless:

14 (1) the limited partnership's partnership  
15 agreement provides for the approval of the conversion or merger  
16 with the consent of fewer than all the partners; and

17 (2) the partner has consented to the provision  
18 of the partnership agreement.

19 B. A partner does not give the consent required by  
20 Subsection A of this section merely by consenting to a  
21 provision of the partnership agreement that permits the  
22 partnership agreement to be amended with the consent of fewer  
23 than all the partners.

24 Section 1111. LIABILITY OF GENERAL PARTNER AFTER  
25 CONVERSION OR MERGER.--

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1           A. A conversion or merger pursuant to this article  
2 does not discharge any liability, pursuant to Sections 404 and  
3 607 of the Uniform Limited Partnership Act (2001), of a person  
4 that was a general partner in or dissociated as a general  
5 partner from a converting or constituent limited partnership,  
6 but:

7                   (1) the provisions of the Uniform Limited  
8 Partnership Act (2001) pertaining to the collection or  
9 discharge of the liability continue to apply to the liability;

10                   (2) for the purposes of applying those  
11 provisions, the converted or surviving organization is deemed  
12 to be the converting or constituent limited partnership; and

13                   (3) if a person is required to pay any amount  
14 pursuant to this subsection:

15                           (a) the person has a right of  
16 contribution from each other person that was liable as a  
17 general partner pursuant to Section 404 of the Uniform Limited  
18 Partnership Act (2001) when the obligation was incurred and has  
19 not been released from the obligation pursuant to Section 607  
20 of the Uniform Limited Partnership Act (2001); and

21                           (b) the contribution due from each of  
22 those persons is in proportion to the right to receive  
23 distributions in the capacity of general partner in effect for  
24 each of those persons when the obligation was incurred.

25           B. In addition to any other liability provided by

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1 law:

2 (1) a person that immediately before a  
3 conversion or merger became effective was a general partner in  
4 a converting or constituent limited partnership that was not a  
5 limited liability limited partnership is personally liable for  
6 each obligation of the converted or surviving organization  
7 arising from a transaction with a third party after the  
8 conversion or merger becomes effective, if, at the time the  
9 third party enters into the transaction, the third party:

10 (a) does not have notice of the  
11 conversion or merger; and

12 (b) reasonably believes that: 1) the  
13 converted or surviving business is the converting or  
14 constituent limited partnership; 2) the converting or  
15 constituent limited partnership is not a limited liability  
16 limited partnership; and 3) the person is a general partner in  
17 the converting or constituent limited partnership; and

18 (2) a person that was dissociated as a general  
19 partner from a converting or constituent limited partnership  
20 before the conversion or merger became effective is personally  
21 liable for each obligation of the converted or surviving  
22 organization arising from a transaction with a third party  
23 after the conversion or merger becomes effective, if:

24 (a) immediately before the conversion or  
25 merger became effective the converting or surviving limited

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1 partnership was not a limited liability limited partnership;  
2 and

3 (b) at the time the third party enters  
4 into the transaction less than two years have passed since the  
5 person dissociated as a general partner and the third party:

6 1) does not have notice of the dissociation; 2) does not have  
7 notice of the conversion or merger; and 3) reasonably believes  
8 that the converted or surviving organization is the converting  
9 or constituent limited partnership, the converting or  
10 constituent limited partnership is not a limited liability  
11 limited partnership and the person is a general partner in the  
12 converting or constituent limited partnership.

13 Section 1112. POWER OF GENERAL PARTNERS AND PERSONS  
14 DISSOCIATED AS GENERAL PARTNERS TO BIND ORGANIZATION AFTER  
15 CONVERSION OR MERGER.--

16 A. An act of a person that immediately before a  
17 conversion or merger became effective was a general partner in  
18 a converting or constituent limited partnership binds the  
19 converted or surviving organization after the conversion or  
20 merger becomes effective, if:

21 (1) before the conversion or merger became  
22 effective, the act would have bound the converting or  
23 constituent limited partnership pursuant to Section 402 of the  
24 Uniform Limited Partnership Act (2001); and

25 (2) at the time the third party enters into

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1 the transaction, the third party:

2 (a) does not have notice of the  
3 conversion or merger; and

4 (b) reasonably believes that the  
5 converted or surviving business is the converting or  
6 constituent limited partnership and that the person is a  
7 general partner in the converting or constituent limited  
8 partnership.

9 B. An act of a person that before a conversion or  
10 merger became effective was dissociated as a general partner  
11 from a converting or constituent limited partnership binds the  
12 converted or surviving organization after the conversion or  
13 merger becomes effective, if:

14 (1) before the conversion or merger became  
15 effective, the act would have bound the converting or  
16 constituent limited partnership pursuant to Section 402 of the  
17 Uniform Limited Partnership Act (2001) if the person had been a  
18 general partner; and

19 (2) at the time the third party enters into  
20 the transaction, less than two years have passed since the  
21 person dissociated as a general partner and the third party:

22 (a) does not have notice of the  
23 dissociation;

24 (b) does not have notice of the  
25 conversion or merger; and

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1 (c) reasonably believes that the  
2 converted or surviving organization is the converting or  
3 constituent limited partnership and that the person is a  
4 general partner in the converting or constituent limited  
5 partnership.

6 C. If a person having knowledge of the conversion  
7 or merger causes a converted or surviving organization to incur  
8 an obligation pursuant to Subsection A or B of this section,  
9 the person is liable:

10 (1) to the converted or surviving organization  
11 for any damage caused to the organization arising from the  
12 obligation; and

13 (2) if another person is liable for the  
14 obligation, to that other person for any damage caused to that  
15 other person arising from the liability.

16 Section 1113. ARTICLE NOT EXCLUSIVE.--This article does  
17 not preclude an entity from being converted or merged pursuant  
18 to other law.

19 ARTICLE 12

20 MISCELLANEOUS PROVISIONS

21 Section 1201. UNIFORMITY OF APPLICATION AND  
22 CONSTRUCTION.--In applying and construing the Uniform Limited  
23 Partnership Act (2001), consideration must be given to the need  
24 to promote uniformity of the law with respect to its subject  
25 matter among states that enact it.

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1           Section 1202. SEVERABILITY CLAUSE.--If any provision of  
2 the Uniform Limited Partnership Act (2001) or its application  
3 to any person or circumstance is held invalid, the invalidity  
4 does not affect other provisions or applications of this act  
5 that can be given effect without the invalid provision or  
6 application, and to this end the provisions of this act are  
7 severable.

8           Section 1203. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL  
9 AND NATIONAL COMMERCE ACT.--The Uniform Limited Partnership Act  
10 (2001) modifies, limits or supersedes the federal Electronic  
11 Signatures in Global and National Commerce Act, 15 U.S.C.  
12 Section 7001 et seq., but the Uniform Limited Partnership Act  
13 does not modify, limit or supersede Section 101(c) of the  
14 federal Electronic Signatures in Global and National Commerce  
15 Act or authorize electronic delivery of any of the notices  
16 described in Section 103(b) of the federal Electronic  
17 Signatures in Global and National Commerce Act.

18           Section 1204. SAVING CLAUSE.--The Uniform Limited  
19 Partnership Act (2001) does not affect an action commenced,  
20 proceeding brought or right accrued before January 1, 2006.

21           Section 1205. REPEAL.--Effective January 1, 2007,  
22 Sections 54-2-1 through 54-2-63 NMSA 1978 (being Laws 1988,  
23 Chapter 90, Sections 1 through 48, Laws 1979, Chapter 85,  
24 Sections 1 through 8 and Laws 1988, Chapter 90, Sections 57  
25 through 63, as amended) are repealed.

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1           Section 1206. APPLICATION TO EXISTING RELATIONSHIPS.--

2           A. The Uniform Limited Partnership Act (2001)  
3 governs only:

4                   (1) a limited partnership formed on or after  
5 January 1, 2006; and

6                   (2) except as otherwise provided in  
7 Subsections B and C of this section, a limited partnership  
8 formed before January 1, 2006 that elects, in the manner  
9 provided in its partnership agreement or by law for amending  
10 the partnership agreement, to be subject to the Uniform Limited  
11 Partnership Act (2001), and that presents to the secretary of  
12 state for filing:

13                           (a) a restatement of its certificate of  
14 limited partnership stating that it elects to be subject to  
15 that act if the filing is made before January 1, 2007; or

16                           (b) if the filing is made on or after  
17 January 1, 2007, a restatement of its certificate of limited  
18 partnership stating the information required by Section 201 of  
19 the Uniform Limited Partnership Act (2001).

20           B. With respect to a limited partnership formed  
21 before January 1, 2006 that elects pursuant to Paragraph (2) of  
22 Subsection A of this section to be subject to the Uniform  
23 Limited Partnership Act (2001), the following rules apply  
24 except as the partners otherwise elect in the manner provided  
25 in the partnership agreement or by law for amending the

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1 partnership agreement:

2 (1) Subsection C of Section 104 of the  
3 Uniform Limited Partnership Act (2001) does not apply and the  
4 limited partnership has whatever duration it had pursuant to  
5 the law applicable immediately before January 1, 2006;

6 (2) Sections 601 and 602 of the Uniform  
7 Limited Partnership Act (2001) do not apply and a limited  
8 partner has the same right and power to dissociate from the  
9 limited partnership, with the same consequences, as existed  
10 immediately before January 1, 2006;

11 (3) Subsection D of Section 603 of the  
12 Uniform Limited Partnership Act (2001) does not apply;

13 (4) Subsection E of Section 603 of the  
14 Uniform Limited Partnership Act (2001) does not apply and a  
15 court has the same power to expel a general partner as the  
16 court had immediately before January 1, 2006; and

17 (5) Subsection C of Section 801 of the  
18 Uniform Limited Partnership Act (2001) does not apply and the  
19 connection between a person's dissociation as a general partner  
20 and the dissolution of the limited partnership is the same as  
21 existed immediately before January 1, 2006.

22 C. With respect to a limited partnership that  
23 elects pursuant to Paragraph (2) of Subsection A of this  
24 section to be subject to the Uniform Limited Partnership Act  
25 (2001), after the election takes effect the provisions of the

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1 Uniform Limited Partnership Act (2001) relating to the  
2 liability of the limited partnership's general partners to  
3 third parties apply:

4 (1) before January 1, 2007, to:

5 (a) a third party that had not done  
6 business with the limited partnership in the year before the  
7 election took effect; and

8 (b) a third party that had done business  
9 with the limited partnership in the year before the election  
10 took effect only if the third party knows or has received a  
11 notification of the election; and

12 (2) on and after January 1, 2007, to all third  
13 parties, but those provisions remain inapplicable to any  
14 obligation incurred while those provisions were inapplicable  
15 pursuant to Subparagraph (b) of Paragraph (1) of this  
16 subsection.

17 D. Until a limited partnership formed before July  
18 1, 2006 elects voluntarily to be governed by the Uniform  
19 Limited Partnership Act (2001), the limited partnership shall  
20 continue to be governed by the provisions of the prior Uniform  
21 Limited Partnership Act as if it had not been repealed.

22 E. After January 1, 2007, the Uniform Limited  
23 Partnership Act (2001) governs a foreign limited partnership  
24 formed at any time.

25 Section 1207. TRANSITION PROVISIONS.--Until January 1,

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1 2007, the provisions of Sections 54-1A-102, 54-1A-704,  
2 54-1A-805, 54-1A-901 through 54-1A-908, 54-2-3 through 54-2-6,  
3 54-2-9 through 54-2-17, 54-2-49 through 54-2-56, 54-2-62 and  
4 54-2-63 NMSA 1978 apply to a limited partnership formed on or  
5 after July 1, 2006 and to a limited partnership formed before  
6 July 1, 2006 that elects pursuant to the provisions of  
7 Paragraph (2) of Subsection A of Section 1206 of the Uniform  
8 Limited Partnership Act (2001) to be subject to that act.

9 Section 1208. EFFECTIVE DATE.--

10 A. Except as provided in Subsection B of this  
11 section, the effective date of the provisions of this act is  
12 January 1, 2006.

13 B. The effective date of the provisions of Sections  
14 103, 108, 109, 111, 114 through 117, 201 through 209, 901, 902,  
15 904 through 908 and 1101 through 1113 of this act is July 1,  
16 2007.